

## **Chapter 28**

### **Analysis, Review, and Reconciliation**

#### **Section I**

#### **Basic Requirements**

##### **28-1. General**

This chapter contains procedures for the various types of analyses, reviews, and reconciliations necessary to maintain the accuracy and integrity of the accounting system. It includes instructions and checklists for month-end and year-end, to help complete closing procedures. The analyses, reviews, and reconciliations outlined in this chapter--

- a. Are classified by transaction type (obligation, disbursement, cash, internal control).
- b. Include minimum analyses, reviews, and reconciliations required for effective operation of the accounting system.
- c. Include various types of analysis techniques that can help management meet its needs and requirements.

##### **28-2. Professional requirements**

To accomplish the necessary analysis, reviews, and reconciliations, the accountant will be familiar with:

- a. Principles, policies, and procedures for fund control, commitment, obligation, disbursement, cash, reimbursable orders, inventory management, and report preparation.
- b. Relationship between the various accounting documents, files, and records.
- c. Relationship between various general ledger accounts.
- d. Relationship between the financial accounting systems and other systems maintained by the logistic, engineer, and program communities.
- e. Internal controls and how they apply to accounting and related areas.
- f. Techniques used in analysis, such as statistical sampling and ratio analysis.
- g. Documentation procedures, such as work paper preparation. These procedures provide a permanent record of the review and background for future reviews or analysis.
- h. Thorough knowledge of month-end and year-end procedures.

##### **28-3. Responsibilities**

a. Responsibilities outlined pertain to Finance and Accounting Offices/Defense Accounting Offices (FAOs/DAOs) or to external activities (Director of Resource Management (DRM), activity or program directors) for each of the following aspects of the review and reconciliation process:

- (1) Validity of documentation for recorded transactions.
- (2) Maintenance of subsidiary records.

- (3) Reconciliation of subsidiary records (mechanized and manual) to general ledger.
- (4) Continuing review of subsidiary records.
- (5) Independent reviews of inactive transactions.
- (6) Coordinated reviews between FAO/DAO personnel and serviced activities.

(7) Documentary evidence required for review efforts.

(8) Reporting requirements.

b. The commander of an activity or installation is responsible for ensuring internal controls are established and maintained.

c. Accountants will --

(1) Ensure required reports are reconciled and submitted on time as specified in Chapters 29 and 30.

(2) Reconcile feedback reports or listings received from DFAS-IN (see Chapter 31).

(3) Ensure that the internal control checklists are followed and maintained for identifying errors in disbursing and accounting operations and that they are functional and effective.

(4) Ensure that two basic types of data file analysis are done. The first type ensures that a basic level of data file accuracy exists (data integrity). The second type aids in transforming data into information for resource managers to use in evaluating past budget execution performance, current decision making, and establishing future performance goals (management advice).

(5) Ensure the performance of fiduciary duties relating to the protection of U.S. Government resources and the reporting accuracy of financial information.

(6) Ensure that all outgoing reports, including outgoing status reports, or other types of formalized communication are complete, accurate, on time, and contain useful information.

(7) Resolve problems encountered in this process, follow-up on corrective actions initiated or taken, or ensure preparation of reports on violations or loss of funds, if appropriate.

(8) Provide a proactive advisory role in cash management since they have the unique position of interfacing cash operations with budget execution reporting.

d. The major Army command (MACOM) commander and the finance and accounting officer/defense accounting officer are responsible for carrying out the reporting and disciplinary requirements of the U.S. Army validation program.

e. The allowance or allotment holder is primarily responsible for reviews of unliquidated obligations.

f. The DRM is functionally responsible for controlling the Installation Financial Management Improvement Program (IFMIP).

g. The commander who receives an allowance/allotment of funds is responsible for

certification of year-end reports.

#### **28-4. Review of internal controls**

a. The commander is responsible for implementing internal control standards in accordance with AR 11-2.

b. Each functional proponent of the DFAS-IN staff has identified and published required internal controls which are published in the format of Internal Control Review (ICR) Checklists located in Appendix H. The checklist is the primary tool that accountants use to ensure implementation and sustainment of prescribed internal controls.

c. The completed checklist will serve to identify any weaknesses in operational procedures. Weaknesses can be identified through a variety of ways to include: supervision, managerial oversight, audits, inspections, observation, procedural reviews, management studies and assessments. Highlight explanations for "NONCOMPLIANCE" responses and develop a plan for corrective action immediately. If the corrective actions are beyond the scope of the accountant's responsibility, advise the appropriate manager to take corrective action. Refer systems problems to the functional proponent.

d. Keep documentation supporting completed internal control reviews in the operation for 2 years after correction of all deficiencies or until the next review, whichever is later.

e. Include both corrected and uncorrected weaknesses discovered during the fiscal year in feedback statements for the annual report, RCS CSCOA-98 (Status of Internal Control Systems). Prepare this report, with instructions issued by the U.S. Army internal control officer, during April of each year. Prepare mid-year report, RCS DD-COMP(AR) 1618 (Internal Control Improvement Activities Report), with instructions issued by the U.S. Army internal control office, during January of each year. AR 11-2 provides details of preparation and submission of these reports.

#### **28-5. Accounting systems reviews**

a. Analysis of systems includes comparing automated system capabilities and system operation expectations to current conditions. Determine the reasons for differences between expectations and realities, and start corrective actions. The following are some examples of systems analyses:

(1) Reviewing systems rejects to determine if the cause was local human error, local system error, or regional processing center error. After determination of cause, take immediate corrective action. Systems problems require documentation for change packages to be prepared.

(2) Controlling the media (that is, paper, microfiche) quantity, frequency, and priority of systems for each standard system's products. This requires extensive

analysis of requirements, and interaction with the Director of Information Management (DOIM) and serviced resource management personnel.

(3) Reviewing all systems' master files for errors and incompatibilities.

(4) Reviewing systems scheduling to ensure making all critical suspenses and any required updates or changes on an "as required" basis. (This requirement will vary from month to month.)

(5) Reviewing daily cyclical output for any obvious errors or an inordinate number of rejects in relation to the number of input records and the age of uncorrected errors. (These vary according to installation size and number of serviced activities.)

(6) Reviewing all cycle transmittals and control records for accuracy and completeness before submission to the DOIM.

(7) Reviewing civilian payroll numbers to verify that the interfaced totals agree with the gross pay stated on the DD Form 592 (Payroll for Personal Services Certification and Summary) received from the disbursing branch.

(8) Reviewing cost transfer facilities systems output by block number and assuring that the block total nets to zero.

b. Managerial accounting advice is the optimal use of data query techniques. Standardization of these techniques is difficult because they usually are nonrecurring, situation unique, and heavily influenced by local installation coding practices and needs. Developing skills in "data integrity" query techniques provides the necessary skills to develop any required management advice query.

(1) The basic steps of any data query are to--

(a) Determine requirements.

(b) Obtain automated systems access to the required data files for the appropriate accounting periods.

(c) Select all the records from the accessed files that meet a defined condition or series of conditions.

(d) Arrange the selected records to make data analysis easier.

(e) Display or print the selected and arranged records in a useful format with required subtotals, totals, and record counts.

(2) Initial query efforts will access a single file. However, as the local query capability grows, the need to access more than one file during a single query will become more obvious. Request help from the DOIM to develop the necessary multi-file query capability. This provides accounting network access to the DOIM mainframes through personal computers.

#### **28-6. Basic reconciliations**

The following reconciliations provide an internal check and balance among accounting, civilian pay, disbursing, travel, and military pay. Complete and

timely reconciliations are essential to ensure the integrity of accounting records and to provide accurate reporting to the MACOMs, DFAS-IN, U.S. Treasury, and Office of Personnel Management (OPM).

*a. General ledger reconciliation.*

(1) Reconcile general ledger account balances, subsidiary ledger values, and outgoing report values monthly. Reconcile manual subsidiary records to pertinent general ledger accounts and open documents files at least once each quarter. Stagger the reconciliation, if necessary, by type of balance or allotment. If this is done, reconcile each subsidiary file at least every third month.

(2) To accomplish reconciliations --

(a) Develop a planned, formal program of reconciliations. Include identification of both the responsible accounting component and the name of the individuals for each reconciliation.

(b) Maintain documentary evidence of the performed reconciliations.

(c) Correct discrepant conditions as they occur to ensure minimal amounts of time and effort are spent in monthly or annual reconciliations. For example:

1. Correct all out-of-balance conditions and edit errors before month-end.
2. Correct all subsidiary ledger errors before month-end.

(d) Record the monthly journal vouchers (JVs) to adjust DO's cash and funds with the U.S. Treasury or any other required adjustments to the general ledger before reconciliations.

(e) Reconcile general ledger account balances with subsidiary records.

1. Perform this reconciliation at least monthly to validate the integrity of the accounting system. General ledger balances, subsidiary ledger balances, outgoing report values, and mechanized subsidiary file values are required to be equal.

2. Research differences and erroneous values and correct promptly by processing transactions in books of original entry. The value of the subsidiary files must govern the values of the outgoing reports, subsidiary ledgers, and general ledger accounts.

3. Keep work papers as part of the general ledger reconciliation file.

(f) Reconcile accepted reporting data by DFAS-IN, via feedback reports specified in Chapter 31, to outgoing reports.

*b. Civil Service Retirement System (CSRS)/ Federal Employees Retirement System (FERS), Federal Employees Health Benefits (FEHB), and Federal Employees Group Life Insurance (FEGLI).*

(1) *General guidance.* Timely and accurate reporting for withholdings of health benefits, group life insurance, and CSRS/FERS to OPM is essential. Transfer actual funds to a civil service trust account based on information on the RCS CSCFA-302 report. Reconcile SF 2812 (Report of Withholdings and

Contributions) with the RCS CSCFA-302 report as soon as possible. Do not delay sub-mission of SF 2812 until completion of the reconciliation. Submit in accordance with Chapter 31. Use a retirement reconciliation log similar to the one shown in Figure 28-1 to assist in reconciliations. The primary interaction required in CSRS/ FERS reconciliation is internal to the FAO/DAO. External interactions with the MACOM or DFAS-IN may be required when there are discrepancies in reported retirement amounts. Accounting for CSRS/FERS deductions is unique because FAOs/DAOs maintain, reconcile, and report amounts by calendar year rather than fiscal year.

*(2) Specific procedures.*

(a) *Receiving.* Ensure prompt receipt of all CSRS/FERS documents from both civilian pay and disbursing. Expected documents are --

1. DD Forms 592 prepared by civilian pay and routed through disbursing into accounting at the end of each pay period. It is used for recording payroll deductions for CSRS/FERS, Federal Insurance Contributions Act (FICA), Federal income taxes, health benefits, group life insurance, state taxes, U.S. savings bonds, and medical care (MEDICARE).

2. SF 2812 and SF 2812A (Report of Withholdings and Contributions-Continuation) received from civilian pay for verification by accounting before transmission to OPM (by civilian pay). The grand total of the amounts on the SF 2812 must always equal the applicable deductions and contributions on DD Forms 592 for the corresponding pay period plus any amounts collected on DD Forms 1131 (Cash Collection Voucher) or adjustments made on SF 1081 (Voucher and Schedule of Withdrawals and Credits).

3. DD Form 1131 for collection of post-1956 military deposit or health benefits while the employee is in a non-pay status.

4. SF 1081 for overpayments discovered after the final payment for the year but before December 31 of the same calendar year. Support SFs 1081 by corrected SFs 2812 in the annual report.

5. JV's representing retirement deductions for employees transferred between payroll offices or separated at month-end.

6. DA Form 2097-R (Recapitulation of Civil Service Retirement Controls) and SF 2807 (Register of Separations and Transfers Civil Service Retirement System) received at the end of each quarter. The totals on the SF 2812 should agree with the quarterly totals on the accounting retirement reconciliation log. The finance and accounting officer/defense accounting officer must certify that the amount of CSRS/FERS withheld in the current calendar year agrees with the amount reported to OPM (see AR 37-105). Also, the amount of CSRS/ FERS on SF 2806 (Individual Retirement Records) must agree

with accounting general ledger accounts. Reconcile "Transfers In and Out, and Separations" on SFs 2807 to lines 3, 5, and 6 on DA Form 2097-R. Send the SFs 2807 forwarding separated retirees' SF 2806 to arrive at OPM within 30 days of retirement. Show date of retirement and date of preparation of the SF 2807 for timeliness.

*(b) Controlling and Validating.*

1. Ensure you receive only one SF 2812 per pay period, in most cases. The numbering is sequential by calendar year and pay cycle number (for example, in 1995: 95-01....95-26). Authorize corrected SFs 2812 in March and September only for missing or incorrect number of enrollees, not for changes in money amounts. Make amount corrections on subsequent SFs 2812 at the end of the calendar year for dollar adjustments necessary for balancing. Discrepancies in amounts are generally due to number transpositions.

2. Assure amounts on SFs 1081 agree with SFs 2812.

3. Assure proper accounting citation on documents. Include proper calendar year in the limitation field and the correct pay period of that calendar year.

4. Assure the CSRS/FERS withholding amounts agree with the contributions amounts on DD Forms 592 and SF 2812.

5. Keep SFs 1081, SFs 2812, DD Forms 592, DD Forms 1131, and JVs in temporary suspense files until completion of month-end reconciliations. Upon completion, file in the retained files.

6. Keep a copy of the fourth quarter (end-of-calendar-year) DA Forms 2097-R in the permanent files.

7. Assure receipt of the SF 2812 and DD Form 592 at the end of each pay period before accounting's monthly closing.

8. Assure SFs 1081, prepared biweekly in accounting, charge the special disbursing officers suspense account 21X6875.8\*\*\* and credit the OPM receipt account per DA PAM 37-100-FY.

*(c) Analyzing.* Ensure that accounting record integrity is intact and that both internal and external reporting are accurate. To achieve data file integrity, the accountant will--

1. Verify posting of data from all retirement documents and adjustment actions to a retirement reconciliation log. Reconcile biweekly with payroll. Research differences and annotate on the log for clearing in the next pay period. Question fluctuations of two percent or more in amounts of withheld civil service retirement amounts in a pay period.

2. Reconcile cumulative general ledger balances monthly (using the General Ledger Inquiry Program) to substantiate the balances of the respective accounts. Quarterly, compare general ledger account code (GLAC) balances with the balances shown on manual DA Form 103 (Civil Service Retirement

control) and automated systems output. Correct discrepancies prior to the end of the calendar year. For payroll offices not automated, reconcile the general ledger account balances with manual SFs 2806.

3. Ensure CSRS/FERS amounts reported on RCS CSCFA-302 report, at limit level, agree with the total of SFs 2812 with that same number. Leave any differences between the amounts collected into suspense account 21X6875.8\*\*\* (reference DA PAM 37-100-FY) and SFs 2812 in suspense until resolved. Record a full explanation on the retirement reconciliation log for an audit trail. Causes of problems in reconciling RCS CSCFA-302 report to SFs 2812 may be --

(a). FAO/DAO's and disbursing offices (DO) closing out the month's business without including the final payroll for the month.

(b) Civilian pay using incorrect deposit account numbers on payroll vouchers.

(c) Civilian pay recording a disbursement amount in a collection deposit account or vice-versa.

(d) Civilian pay processing deductions and contributions on supplemental pay vouchers and recording adjustments on the employee pay records, but failing to report the amounts on SF 2812.

(e) Accounting processing errors.

(f) Accounting not verifying and reconciling deposit accounts with civilian pay reports and pay vouchers.

4. Ensure DSSNs performing accounting functions for National Guard payroll offices use the National Guard payroll office number.

5. Ensure deductions reported on the quarterly DA Form 2097-R prepared in civilian pay agree with accounting totals on the reconciliation log.

6. Ensure amounts certified by the finance and accounting officer on the final and annual DA Form 2097-R agree with the total retirement deductions reported to OPM and with accounting GLACs for the calendar year.

(3) Ensure the transfer to OPM of balances in the Health Benefit and Group Life Insurance funds.

*c. U.S. Savings Bonds.*

(1) Maintain a savings bond reconciliation log, posting documents provided by civilian pay and disbursing, such as --

(a) DD Forms 592 for deductions into deposit account 21X6050 (reference DA PAM 37-100-FY).

(b) Monthly SF 1049's (Public Voucher for Refunds) and Treasury check paying DFAS-IN/JFA for bonds issued. Prepared separate SF 1049's for each DSSN, for each serviced U.S. Property and Fiscal Office (USPFO).

(c) Amounts from DD Forms 716 (United States Savings Bond Control) and DA Forms 2179 (Bond Control Report) in civilian pay.

(2) To verify the balance in the deposit account 21X6050 at month-end, subtract the bond issuance

schedules not cleared through DFAS-IN/ JFA. This balance should agree with the net cumulative bond balance on DD Forms 716 and DA Form 2179.

(3) At the end of each quarter, civilian pay prepares a DD Form 716 with certification statements signed by the chief of accounting. Reconcile this form with the savings bond reconciliation log and resolve any differences immediately. Certify and return DD Form 716 to civilian pay. Maintain the reconciliation log by calendar year.

*d. Subsidiary ledgers reviews.* Perform monthly, reconciliation of all subsidiary ledger files with the official accounting records. Research differences and correct immediately. The most common cause of differences is adjustments in the subsidiary ledgers not posted to the official accounting records.

*e. Deposit, suspense, and general fund accounts.*

(1) At the end of the accounting month, the FAO/DAO will ensure that the balances in the subsidiary ledgers or records agree with the appropriate deposit, suspense, and general fund clearing accounts activity reported to DFAS-IN. Before making payment, the disbursing branch will send vouchers and claims submitted for payment citing deposit fund accounts to accounting to verify that the amount for payment agrees with the amount collected. DFAS-IN will send each DSSN a copy of the "Disbursing Officers Fund Activity" report each month for use in reconciling the deposit fund and suspense accounts (see Chapter 31). This report shows transactions processed through RCS CSCFA-302 report. Prior to month end, accounting will reconcile balances with this report. If there are errors on FAO's/ DAO's or DFAS-IN's records, correct them before month-end through the RCS CSCFA-302 report. At the end of each month, balance the individual accounts and bring the totals forward for the next accounting month.

(2) Review variances shown in deposit fund accounts and notify the AO/DIAO of the projected processing month. Accountants will also provide their AOs/DIAOs with full explanations and planned actions for abnormal (debit) balances that appear in this report.

(3) When balances in the DO deposit accounts cannot be supported or a transaction is over one year old or there has been no activity within six months, the disbursing officer/account holder will send a "report of loss of funds" to the U.S. Treasury (see Chapter 40).

(4) The FAO/DAO will submit the RCS CSCOA-27 (Report of Deposit Fund Balances), certified, to DFAS-IN semi-annually. (See Chapters 29, 30 and 31.) Report balances not supported by proper documentation to the U.S. Treasury as a loss of funds (see Chapter 40).

*f. Federal, State, and Federal Insurance Contributions Act (FICA) Taxes.* Payments made

from the automated payroll system automatically withholds Federal, State, and FICA taxes from military personnel's compensation pending payment to the proper taxing authority by DFAS-IN. When payments are made outside of the payroll system, the tax data must be input to the DFAS-IN Master Tax File. The amounts withheld and reported must agree with the Master Tax File, (which is the amount actually paid by DFAS-IN) and with the amounts reported through DELMARS. These reconciliation procedures only apply to stations making local taxable payments to Reserve Component soldiers. Expected documentation are--

(1) DA Form 5101 (Tax Reconciliation and Control Record). Disbursing prepares these forms and distributes to military pay and accounting. Disbursing uses this form to reconcile and control by the date of business and the four tax control totals (that is, Federal income earned, Federal tax withheld, FICA tax withheld, and State tax withheld) for each tax-related payment voucher. Military pay uses this form to reconcile the Daily Tax Update Output Listing (DTUOL). Accounting will use the data to verify their input with the automated accounting system DO Deposits Listing. Reconciliation by cycle will preclude month-end discrepancies on DELMARS.

(2) DA Form 2233 (Army Reserve Pay Voucher Summary and Certification Sheet). Disbursing submits the original vouchers to DFAS-IN (see Chapter 40) and provides a copy to accounting for posting and filing.

(3) DD Form 1351-2 (Travel Voucher or Subvoucher) for do-it-yourself (DITY) incentive payments. Disbursing submits the original vouchers to DFAS-IN and provides a copy to accounting for posting and filing.

(4) Accounting will verify the DO Deposit listing with DA Form 2233 and DD Form 1351-2. Annotate a copy of the local DO deposit listing with the accounting cycle number and the latest disbursing date included in the cycle. Send the DO Deposit listing to military pay for reconciliation with their tax reconciliation files. Military pay will annotate missing disbursing officer vouchers (DOVs) or note that no discrepancies were found. Return the listing to accounting for correction and filing. Disbursing dates are important for verification in military pay with the military pay systems monthly cutoff date. Accounting will process corrections immediately.

(5) DFAS-IN will send the DELMARS Tax Reconciliation Report to military pay approximately 30 days following the end of the month. This report contains DELMARS tax information for the report month plus the nine preceding months. Military pay uses the report to ensure the tax information reported on DELMARS agrees with the tax data input by military pay, plus the U.S. Government's share of FICA taxes and the amounts shown in the DFAS-IN's

master tax file. Accounting may have to assist military pay in the reconciliation and correction of tax information.

*g. Reconcile stock record quantities and financial inventory records.* Reconcile stock record quantity balances with financial inventory records at least once a year. Promptly enter the results of all physical inventories taken by logistics activities into the accounting records. For additional reviews, see paragraph 28-16.

*h. Federal Securities (at Par).* DFAS-IN will reconcile the balance in the Federal Securities (at Par) general ledger account with the trust fund portfolios at least annually. Reconcile when there is a change in employees having access to the securities, such as the trust fund manager. Also, reconcile when there is a substantial addition, disposition, or replacement in the composition of the portfolio.

*i. Voucher Balancing.*

(a) The following steps should be taken in the Joint-monthly reconciliation of voucher balancing as completed by accounting and military pay.

1. On receipt of the month-end voucher balancing report (MP-19-173), the accounting office will reconcile the differences in Section II of this report. This comparison provides an accounting for payments and collections reported under two independent systems. Accounting will prepare a worksheet for this reconciliation with the following headings for each clearing account (510 = officers and 530 = enlisted): the "DSSN NUMBER," "CLEARING ACCOUNT NUMBER" (510 or 530), and the "ACCOUNTING MONTH" being reconciled. The next row of columns on the worksheet will consist of the "VOUCHER NUMBER," "VOUCHER DETAIL AMOUNT," "VOUCHER TOTAL," "MAFR TOTAL," and "REMARKS."

2. Next on the worksheet, enter the total voucher amount from Section II under "VOUCHER TOTAL" on the worksheet; then, enter the total for the MAFR amount of Section II under "MAFR TOTAL."

3. Determine which system has been updated incorrectly or which transaction(s) have not been processed. Accounting will provide a copy of this month-end report (MP-19-173) to the voucher balancing clerk in military pay. If the voucher balancing clerk in military pay made all corrections caused by military pay errors, any difference may be due to an input error or an adjustment/correction made during month-end processing by accounting. Accounting will obtain the voucher(s) that have created the differences and analyze what has happened. If a voucher(s) was incorrectly processed by accounting, show the correction under the "MAFR TOTAL" column on the worksheet. If the voucher(s) was incorrectly processed by the voucher balancing clerk, show the correction under the "VOUCHER TOTAL" column on the worksheet.

4. Once the "TOTAL VOUCHER" and "MAFR TOTAL" columns are in balance, prepare an SF 1081 for corrections that have not already been made as indicated in the "REMARKS" column on the worksheet.

5. If the reconciliation cannot be resolved between the voucher balancing clerk and accounting, accounting will immediately notify the Defense Accounting Officer/Finance and Accounting Officer (FO) of the situation. This reconciliation is a basic tool provided to assist in fulfilling the account holders responsibility for proper and timely posting of payment and collection transactions. This reconciliation will aid in the discovery of fraud and loss of government funds.

(b) A requirement exists to provide additional detail level of reporting for casual/local payments by voucher number and transaction date. This provides more detail at the voucher level when reconciling the RCS CSCFA-302-T report data to the voucher balancing/MAFR reconciliation report MP-19-173.

1. This detail level of reporting casual payments for a given month is in addition to the current level of the RCS CSCFA-302-T reporting. This additional detail level of reporting is identified by a "7" in the record type (RT) field (record position 80) and requires reporting the voucher number and date of transaction on the monthly RCS CSCFA-302-T submission.

2. Those accounting/reporting systems that have not been changed for the reporting DSSN's are required to submit a manual supplement to the RCS CSCFA-302-T report.

3. The select criteria for this new data are disbursements citing basic symbol 2010, AMSCO of 1090 or 1190, and EOR 4140. The additional detail level of reporting for the RT 7 transactions will include the date of the transaction and the voucher number. See Table 28-1 for record layout.

4. The total of the detail voucher transactions (RT 7) must equal the total dollar amount for the appropriate transactions submitted on the RCS CSCFA-302-T report, (i.e., basic symbol = 2010, AMSCO = 1090/1190, and EOR = 4140). DAO/FAO will use the PCN AVK-655 report/listing to reconcile the RT 7 transactions to the RT 4 and/or RT D transactions each month before releasing the RCS CSCFA-302-T report to DFAS-IN. Any adjustment made to the RCS CSCFA-302-T submission after the creation of the "sees tape" affecting basic symbol 2010, AMSCO 1090 or 1190, and EOR 4140 for RT 4/D transactions may also require adjustments to RT 7 transactions and vice versa, unless making a one-sided correction of a prior-month's submission.

5. The RT 7 transactions, with unique control records, are added to the current RCS CSCFA-302-T transactions when creating the monthly "sees tape." These RT 7 transactions are of a "memo" type nature and are not part of the balancing routine of

net disbursements less reimbursements of the statement of transactions (SOT) to the statement of accountability (SOA).

6. DFAS-IN will compare the RCS CSCFA-302-T detail RT 7 transactions to the appropriate RT 4/D transactions submitted by dollar amount each month. A discrepancy report/listing will be issued to each DSSN where a difference exists between the detail RT 7 transactions and the RT 4/D transactions. Correction of differences is required in the subsequent RCS CSCFA-302-T submission. DFAS-IN will pass this data to consolidated military accounting, consolidated network operations, for input to the MP-19-173 report. The RT 7 transactions are compared to casual/local payments on the MP-19-173 report. The MP-19-173 is mailed twice a month to each DSSN. Differences on the MP-19-173 report may be attributed to reporting differences between the RT 4/D transactions and the RT 7 transactions. The end-of-month MP-19-173 report will be used by accounting (with a copy provided to the voucher balancing clerk) to reconcile differences in section II of this report.

## **28-7. Obligation reviews**

### *a. General procedures.*

(1) Ensure data file integrity by identifying and correcting abnormal record conditions at least monthly.

(2) Perform all reconciliations of non-accounting records to the official records. Also, reconcile subsidiary to control records to detail records. Areas to review include --

(a) Commitment ledgers to obligation records to ensure obligations have been recorded in the accounting system and the commitment ledger has been adjusted accordingly.

(b) Bills register for open contract values to accounting undelivered orders (UDOs) and accounts payable.

(c) Supply dues-in to Defense Business Operations Fund-Supply Management Area (DBOF-SMA) fund undelivered orders (UDOs) and prepaid inventory in transit.

(d) DBOF-SMA dues-out-unfilled orders, to consumer fund UDOs and prepaid inventory in transit.

(3) Analyze the timeliness of transaction events (that is, expected delivery and liquidation dates). Identify expected event cycles that should have occurred in the controlling and validating process. Conditions identified outside of established time parameters may be accurate and valid; however, aged records may require additional managerial follow-up action. These "overdue events" require a monthly review by accounting. Examples include: outstanding commitments over 90 days old, undelivered orders older than the delivery due date, accounts payable over 90 days old, prepaid inventory

over 90 days old, transactions suspended over 30 days, and temporary miscellaneous obligation documents (MODs) over 30 days old. Analyze transactions that fall in one or more of these categories to determine if the volume and dollars are material. Determine why these conditions are of direct concern to program directors. The command may be reserving funds unnecessarily (old outstanding commitments); not receiving ordered goods and services; not receiving prepaid items; or not recognizing inventory losses (old prepaid inventory).

(4) Compare and evaluate program director and command actual performance with plans and goals. These analyses fall into two general groups (obligation analysis and performance statistics analysis), and should occur at least quarterly.

(a) Analyze current-year obligation adjustments created by final receipt and disbursement processing. This will identify and correct obligation estimating problems and allow analysis of resources before expiration. Perform this analysis at the program director level by type of obligation. Focus on the cause of differences between obligation estimates and actual receipts and disbursements. Accountants will suggest ways to improve obligation estimates based on these analyses.

(b) Analyze prior year obligation adjustment trends to determine if obligation estimating practices were reasonable. The initial obligations were estimates since actual costs were unknown when ordering the goods or services. Liquidation of these estimated obligations did not take place until the following fiscal year. This analysis may be at both the program director and allowance/allotment levels and stratified by obligation type and appropriation subdivisions. Compare one program director's performance to the average performance of all other program directors. Also compare with the program director's performance of previous years, and the total resources controlled by the program director and the installation at the time of account expiration. For purposes of impact, compare obligation adjustments to total unliquidated obligations at account expiration. Past emphasis has focused on obligation rates at fiscal year-end. Expand this emphasis to evaluate true execution performance, which is more meaningful in subsequent fiscal years when recording disbursements. This analysis and management advice will assist in better use of funding resources in current and subsequent fiscal year by identifying and correcting past weak obligation estimating practices.

(c) Compare actual to planned obligations as defined by the command budget guidance. This analysis is useful, both at fiscal year-end and monthly after appropriation expiration, to evaluate adjusted execution performance.

(5) DFAS-IN will analyze performance statistics for

use in controlling accounting's working efficiency and effectiveness, developing serviced activity performance analysis, and providing management advice.

(a) Control data integrity by analyzing these types of statistics:

1. Document receipt control, timeliness, and quality.
2. Document processing accuracy and timeliness within FAO/DAO.

3. Work-in-process status at month-end.

4. Accounting transaction integrity.

5. Accounting event timeliness.

6. Processed transaction volume by type.

(b) Evaluate serviced activity performance by analyzing these types of statistics:

1. Document quality and receipt timeliness.

2. Unexpired and expired obligation adjustment trends.

3. Obligation execution comparisons to the budget office obligation plan.

4. Obligation liquidation efficiency.

5. Interest payments caused by late receipt of receiving reports.

- (6) The FAO/DAO will maintain error rates of responsible accounting technicians for use as individual performance rating criteria. Provide counseling and training to reduce error rates.

- (7) Identify inconsistencies or unfavorable trends based on execution analysis results for multiple accounting periods.

- (8) Segregate records for analysis into groups using automated data query techniques. Identifying abnormal conditions and performing analysis requires access to extensive automated data manipulation capability.

- (9) Provide management accounting assistance. Program directors must be able to understand automated reports in order to use them effectively and efficiently. They must also understand the intent of each type of feedback and the expected response. Assist the program directors staffs with accounting output and, at least quarterly, prepare a management accounting report for the DRM. In the management accounting report, identify --

- (a) Activities with excessive travel obligation adjustments.

- (b) Activities whose travelers do not promptly file settlement travel vouchers and who do not respond to accounting requests for settlement.

- (c) Activities with excessive outstanding travel advances.

- b. Personnel compensation and benefits (excluding permanent change of station (PCS) costs).*

- (1) Examine all open civilian payroll transactions to determine if there are any abnormal conditions. Abnormalities may be the result of one or more of the following causes:

- (a) Payroll and accounting system interface

problems.

- (b) Civilian pay input errors.

- (c) Civilian personnel office (CPO) document errors.

- (d) Program directors input errors and failure to review output.

- (e) Erroneous processing of transactions by others.

- (f) Foreign currency fluctuation.

- (g) Accounting input errors.

- (2) Analyze civilian payroll documentation using the following guidelines:

- (a) Most local payroll MODs over 30 days old need correction. Payroll obligations may remain open (unliquidated) for more than one month only when paid outside the local (servicing) FAO/DAO (transactions by others (TBO)). Overseas locations may experience delays greater than one month in liquidating payroll obligations. Develop a working norm for those offices according to the payroll peculiarities and standards for each area.

- (b) Unique or nonrecurring types of obligations, such as cash awards for performance or suggestions, may remain open for more than one month.

- (c) There should be no stand alone disbursements; if there are, investigate and correct.

- (d) Track payroll costs by activity, month, quarter, and year to show significant cost variances. Discuss analysis results with the serviced activities.

- (e) When the analyses are complete, accountants may find it necessary to interact with the following:

1. Local DOIM on unique system interface problems. Determine if the problems are installation unique, identifiable to the regional processing center, or world-wide. Long-term unresolved problems may require command attention.

2. Civilian pay for noted abnormal or questionable transactions or patterns.

3. CPO for erroneous documentation or procedures.

4. Activities for input errors as they occur. Instruct personnel on identification of abnormal conditions and methods for correction and prevention.

5. Other installations for input errors noted on TBOs.

6. FAO/DAO, activities, budget officers, and DRM concerning payroll cost trends. Consider including significant variances in the management accounting report.

- (f) Activities will review assigned personnel listings to ensure removal of those transferred to other organizations.

- c. Costs and benefits associated with PCS.*

- (1) The two major problems found in PCS unliquidated obligations are overstated obligation estimates (based on the maximum allowed benefits rather than on individual traveler requirements) and travel settlement delays. This combination may result in failure to adjust overstated obligations to actual disbursements until after appropriation expiration. A

PCS may include the following types of obligations:

- (a) Temporary living quarters.
- (b) Temporary subsistence.
- (c) Real estate expenses.
- (d) Miscellaneous expenses.
- (e) Relocation income tax allowance.
- (f) Per diem.
- (g) Transportation of people.
- (h) Other reimbursable expenses.
- (i) Transportation of things.
- (j) Temporary storage of household goods (HHG).

(2) Periodic analysis of PCS obligation estimates will reveal estimating patterns, procedural problems, and will highlight those organization(s) with PCS obligation adjustments exceeding plus or minus 10 percent of original obligations. Accountants will adjust the open records and suggest changes to obligation estimating practices (where warranted) to preclude continued over estimating of costs and loss of command resources for other requirements. Analysis will also identify if travel settlement is timely. Expected settlement dates by type of PCS obligation are --

(a) House hunting trip costs - 15 days after completing a house hunting trip.

(b) Per diem, transportation of people, other reimbursable expenses, and miscellaneous expenses - 15 days after the PCS. (Note the possibility of delayed moves by part of the family.

(c) Government bills of lading (GBL) and transportation requests (TRs) - 60 days after the PCS - an additional 30 days for overseas moves.

(d) Temporary quarters and subsistence expenses, temporary storage of HHG, and transportation of HHG - 90 days after the PCS, an additional 30-45 days for overseas moves.

(e) Real estate expenses - Within 30 days after each real estate closing, but not to exceed 2 years after the PCS.

(f) Relocation income tax allowances - By April 30 of the calendar year following the year of the PCS expenses or payment.

(3) Local command procedures will dictate suspense dates to travelers for partial PCS settlement vouchers submission. Program director follow-up is necessary every sixty days until liquidation of the entire PCS obligation. Adjust obligations based on the latest information received from travelers. Adjustments may be due to travelers' over estimating the weight of household goods or changing their decisions to sell (or buy) a house or ship their automobiles overseas.

(4) Reporting results of analysis will consist of the following:

(a) Inform program directors of PCS adjustments, problems noted, and their delinquent advances.

(b) Inform the installation FAO/DAO and DRM officials of actions taken and future actions required.

*d. Travel, per diem, and transportation of persons (excluding PCS).*

(1) Age travel documents. Travelers should submit settlement vouchers within 15 days of travel completion. Program directors are responsible for prompt settlement by their travelers since, for most cases, the travel advance cited is the same as the travel orders, except for the element of resource (EOR).

(2) Per diem obligations will not remain open more than one month after submission of a travel claim.

(3) Develop local standards to control the time period that obligations will be open for rentals, leases, charter of passenger-carrying conveyances and payments to foreign carriers.

(4) When using a locally issued TR to obtain tickets, and the amount obligated does not include other travel entitlement, liquidate the obligation within one month.

(5) Obligation amounts that include entitlement normally reimbursed directly to the traveler on the settlement voucher will not remain open more than one month after submission of the travel claim.

(6) If the traveler uses a TR issued at a remote location or by Air Mobility Command, and a military transportation authorization (MTA), the portion of the obligation covering the TR or MTA may remain open for several months. If the net obligation initially included amounts for TRs or MTAs and items reimbursed on the per diem settlement voucher, liquidate that portion applicable to reimbursable entitlement after processing the per diem voucher.

(7) When a disbursing office other than the one servicing the funded installation makes a per diem or transportation payment, these obligations may remain open for 60 to 90 days.

(8) There should be no unliquidated travel obligations over 180 days old. If this condition exists, a written response from the traveler is required to show that settlement action is forthcoming.

(9) Identify and take corrective action (including elevating the problem through the chain of command) for activities whose travelers do not file settlement vouchers within the established timeframes.

(10) Identify activities that consistently make poor travel estimates by using obligation adjustment statistics.

(11) Identify number of computation errors of travel personnel on settlement vouchers by month and initiate corrective action.

(12) Review transportation obligations, not supported by transportation requests, that are outstanding over 45 days. Determine validity and, in those cases where the per diem portion of an obligation was liquidated but the TR was not, review the traveler's voucher.

*e. Transportation of things (except PCS HHG)*

*shipments).*

(1) Analyze transportation of things unliquidated obligations records. Research and eliminate all undelivered orders and age all accounts payable records.

(a) Review accounts payable for GBL's over 60 days to determine causes for delays.

(b) Charge local move drayage costs (no GBLs issued) to local pack and crate contracts and liquidate within 30 days.

(c) Liquidation of demurrage and detention costs may be delayed if accounts payable "batches" documents for the charges previously obligated. Accountants must determine materiality of all demurrage and detention charges. (For example, numbers of incidents and dollar amounts of charges compared with total cost of items and activities' fund availability).

(2) Reporting procedures will consist of the following:

(a) Inform command of significant unresolved transportation document problems.

(b) Inform program directors and command of significant demurrage and detention costs in joint reviews and the management accounting report.

(c) Inform program directors of significant estimating problems.

*f. Contracts.*

(1) Age and examine all contract obligations to identify abnormal or exceptional unliquidated conditions. Abnormal conditions could result for the following reasons:

(a) Delays in recording receipt of goods or services.

(b) Performance irregularities (for example, goods or services provided by terms other than those specified in the contract).

(c) Failure to monitor the application and recoup contractors' advances or progress payments.

(d) Under or over estimates of costs for service or maintenance contracts.

(e) Failure to record obligations at net of discount, if warranted.

(f) Undocumented amendments to the scope of the contract.

(g) Recording errors.

(h) Lack of performance by the performing activity for ordered reimbursable services.

(i) Failure to track the progress of contracts, and act, based on changes in scope or completion schedules.

(j) Uncleared or misrouted transactions by others (TBOs).

(k) Payment of interest penalties.

(2) Identify the problem source and responsible activity, and take appropriate actions necessary where --

(a) Violation of any obligation rule occurs.

(b) Violation of bona fide need rule occurs based on

undelivered orders outside established delivery schedules, or over 120 days old.

(c) Upward adjustments may have caused a violation of U.S.C. Title 31, Section 1517.

(d) Formal contracts do not replace letter contracts or MODs within 30 days.

(e) Contractual services associated with tempo-rary duty (TDY) training remain unliquidated over 60 days after estimated completion of training.

(f) Actions indicate deviation from the progress or performance specified in the agreement.

(g) Performance requirements on contracts with progress payments are not met or progress payments paid to contractors are not recouped.

(h) Differences exist between receipts and payments on multiple delivery contracts.

(i) An activity is incurring interest penalties. Trend these payments by month and program director.

(j) A review of reimbursable service contract obligations over 90 days old shows no record of accruals or payments.

1. At fiscal year end liquidate orders and withdraw before the end of the fiscal year of the appropriation.

2. Contact performing activities to determine performance through year end and validate unfilled orders.

3. Undelivered order balances may remain only if there is a contract let by the performing command prior to expiration of the appropriation cited in the order.

(3) Based on the analysis performed, accountants will report to and interact with one or more of the following:

(a) *Program directors.* The following will be identified:

1. Material variances between estimated obligations and actual costs.

2. Contractors with poor performance records.

3. Aged undelivered orders for revalidating bona fide need requirements and obtaining current delivery status.

4. Missing documents or document flow problems (for example, receiving reports and obligation documents).

5. Current interest penalty payments and historical trends by activity.

6. Apparent violation of obligation rules.

7. Apparent misuse or overobligation of funds.

8. Orders that should be liquidated and/or balances withdrawn prior to fiscal year-end.

(b) *Performing commands.* Request status of reimbursable services.

(c) *Accounts payable.*

1. Monitor recoupment of contractor advances or progress payments.

2. Identify differences between receipts and payments on multiple delivery contracts.

(d) *Travel.* Correct input errors made by travel in

final TDY settlement vouchers (for example, registration fees for training in conjunction with travel charged to the incorrect EOR).

(e) *Printing office.* Identify the billing document mismatches with original obligating documents and attempt to resolve billing problems.

(f) *Other disbursing station symbol numbers (DSSNs).* Obtain missing or misrouted TBOs.

(g) *Budget office.*

1. Request assistance for continuing problems with program directors, contracting officers, and performing commands.

2. Develop and publish consistent command accounting policies and procedures jointly with the FAO/DAO, serviced activities, budget officer, and DRM.

(h) *FAO/DAO.*

1. Identify the extent and impact of workload backlogs (for example, unprocessed TBO and interfund bills).

2. Request assistance for continuing problems with accounts payable, travel, the Government Printing Office, other DSSNs, and so forth.

(i) *DRM and commander.*

1. Identify the extent and impact of workload backlogs.

2. Provide analysis results that are of command interest.

3. Elevate continuing problems that need command resolution.

*g. Non DBOF-SMA supplies and materiel.*

(1) Prior to breaking down the open transactions, use data query capability to age the transactions. Sort them by the document number that is distinguishable from DBOF-SMA items. Common causes for abnormal record conditions include misrouted or late receipt of documentation, delays for long lead time items, or old orders for which a bona fide need no longer exists.

(a) Research accounts payable over 30 days old. Reconcile accounts payable with accounts payable section records to ensure the validity of amounts and status and to determine cause for delays in payment.

(b) Examine undelivered orders (UDOs) over 90 days old to determine the delay in delivery. Contact the ordering activity and the budget officer to determine their current bona fide need.

(c) Based on interaction with ordering activities, annotate long leadtime items to avoid unnecessary analysis on these records.

(2) Reporting requirements consist of the following:

(a) Communicate often with the ordering activities. Correct document flow problems, to identify long leadtime items on aged UDOs. Determine the current bona-fide need for aged UDOs. Contact the budget officers when necessary to determine bona-fide need requirements.

(b) Identify problems noted in accounts payable

reconciliations with accounts payable records and highlight unresolved problems to the finance and accounting officer/defense accounting officer.

(c) Inform the contracting officer of specific vendor problems.

*h. Supplies and materiel.*

(1) Keep general ledger accounts in balance with the data retained in the supply subsystem. Use materiality, statistical sampling, and automated stratifying while considering the volume and historical patterns of the installation's transactions.

(a) Research and correct all stand-alone collections or disbursements monthly. Document number mismatches are likely, but receipt of items not ordered or improper or duplicate billings may also occur. Timely analysis is necessary to obligate items already received and paid for.

(b) Research inventory-in-transit values over 90 days old. Contact ordering or receiving activities for the status of receipt and request documentation.

(c) Research accounts payable more than 60 days old. Most interfund (IF) billing is generated by a materiel release order that often precedes requisitioned materiel receipts. Contact the seller for billing information and rebilling, if required. (See Chapter 34.)

(d) Research significant inventories in transit or accounts payable that exceed the obligation. These conditions result from overcharges, item substitutions, price adjustments, quantity changes, or Army Master Data File (AMDF) catalog errors. Contact both the ordering and supply activities to verify quantity and unit price. Record obligation adjustments immediately.

(e) Research all transactions open over 90 days that have an obligation, receipt, and final disbursement not reported. Review quantities and unit prices to identify partial shipments, partial billings, or partial receipts. If quantities agree, process adjustments to clear the line. If quantities disagree, verify reported amounts with responsible activities.

(f) Research suspended interfund transactions and correct in a timely manner.

(g) Research and resolve interfund bills that appear on the uncleared listings.

(h) Research accounts receivable and follow up on aged transactions to avoid write-offs.

(2) Ensure the accuracy of records for supply items through frequent and extensive interaction with supply activities, consumer fund activities, program directors, and logistic support organizations. Continuous monitoring with feedback to all activities helps assure proper use. Trace the problems identified by analysis to the transaction point of origin. Analyze and provide management advice frequently to correct small problems before they become major.

*i. Prompt pay interest penalties.*

(1) Determine reasons for interest penalties. For example, accounts payable backlog or errors, document flow problems, FAO/DAO document control problems, or late receiving of reports.

(2) Maintain and record interest penalty data for the Prompt Pay Act and Installation Financial Management Improvement Program (IFMIP). (See Chapter 20 and DA PAM 37-100-FY).

(3) Provide trends of payments to the finance and accounting officer/defense accounting officer, the local and remote serviced activities, the DRM, and the commander.

#### **28-8. Reimbursable orders review**

a. Customer orders review should be accomplished twice a year and include the analysis of both the execution and reimbursement status of the order. Analyze the timeliness of transaction events. Identify expected even cycles that should have occurred. Conditions identified outside of established parameters may be accurate and valid but should be verified by the performing activity.

(1) Review documentation to ensure customer order files include a copy of the order (DD 448), order acceptance (DD 448-2) and funding documents if applicable.

(2) Verify that funded orders received are less than funded reimbursable authority (FRA) provided in the funding documents.

(a) Orders in excess of authority received may indicate the possibility of direct funds being used for the reimbursable mission. If this condition exists at fiscal year end, the installation will have lost the use of direct funds in the amount of the excess of orders over authority. An antideficiency violation may exist.

(b) Funded orders received less than the authority provided may give a false illusion of funds being available for obligation. If used this could result in an over-obligation.

(3) Funded and Automatic Orders received that are significantly over or under the program established by the responsible resource managers may indicate: errors made in the budget process; failure to monitor and adjust the program to more realistically reflect execution anticipated; errors made in establishing or recording orders received; or reassessment needed of the resource posture and mission requirements of performing activities.

(4) Review the unobligated and unliquidated balances in accordance with procedures set forth in this chapter.

(5) Review earnings to verify that all costs incurred have been billed to the customer. If the sale is from inventory stock, earning is based on the shipment. For open orders over 90 days old, contact the performing activity on the shipment status.

(a) Earnings in excess of orders received indicates the use of direct funds to support a reimbursable

mission, the need for order adjustments, or errors in determining or recording reimbursements earned.

(b) Earnings less than disbursements indicates an error in determining or recording reimbursements earned.

(6) Review accounts receivables and debt balances in accordance with procedures set forth in this chapter.

b. Communicate the results of analysis efforts to management. Provide them and higher levels of commands the results of the formal status reports required by the accounting and reporting systems. Ensure that the information provided to managers is clear, concise, timely, accurate and responsive to their needs.

c. See Table 28-2 for write down procedures.

#### **28-9. Disbursement and collection reviews**

a. The accuracy of the daily business pertaining to vouchers paid and collected depends upon three separate functions (disbursing, accounting operations, and internal control/A&R) reaching agreement on the validity of vouchers and the numbers included in the finance and accounting officer's/defense accounting officer's Statement of Accountability (SOA) report (see Chapter 29 and DA PAM 37-100-FY) and related accounting reports.

b. Internal controls for disbursing operations include check and balance functions, such as --

(1) Unannounced cash counts.

(2) Accounting verification of cash blotter and check issue records.

(3) Accounting validation of cash and check collections through lock box controls.

(4) Accounting analysis and controls over disbursement and collection source documentation and vouchers; and, automated interface of disbursement data from other systems.

(5) U.S. Treasury, DFAS-IN and local accounting processes for validating SOA data and related payment/collection vouchers.

(6) U.S. Treasury and DFAS-IN controls over bank deposits, recertified checks, and checks issued and negotiated.

(7) DFAS-IN, AO/DIAO, and local accounting controls over balances in the disbursing officer's deposit fund accounts.

(8) Accounting oversight and internal disbursing office (DO) controls over cashier operations, cash in hands of agents, and the voucher authentication process.

(9) DFAS-IN, MACOM, and local quality assurance (QA) reviews of the accounting and disbursing operations.

c. Reconcile all expenditure and collection data to ensure compatibility between the expenditure and status reports. Reconciliations listed below are minimum requirements.

(1) Cash blotter to statement of transactions (SOT). Reconcile the net value of disbursements and collection data maintained at the appropriation, fund, or receipt account level with the net value of gross collections and gross disbursements shown on the cash blotter.

(2) SOA to SOT. Reconcile the net disbursements reported on the SOA (RCS CSCFA-302-A) with the reimbursements and disbursements on the RCS CSCFA-302-T (Accelerated Reporting of Receipt and Outlay Data) report (SOT). Assure that dollars accounted for in the DO agree in total with the data reported by the accounting division. Research differences with the DO and correct before sending reports to DFAS-IN. Review feedback reports provided by DFAS-IN. If there is a difference between the SOA and SOT, DFAS-IN will charge the difference to 21X6875.8825. Research and correct the differences in the next reporting period. Do not "plug" the SOT to equal the SOA.

(3) RCS CSCFA-302 and RCS CSCFA-304 to status reports. Reconcile the disbursement data on the monthly RCS CSCFA-302 and RCS CSCFA-304 reports with the cumulative disbursement data and the monthly disbursement on the status reports. Adjust status reports to agree with expenditure reports and process required adjustments in the next cycle. Determine the cause for differences and take corrective action.

(4) DFAS-IN furnishes AO/DIAO a monthly Command Expenditure Report (CER) and an AO/DIAO summary report, which identifies any differences between the two reporting processes. (See Chapter 31.) The AO/DIAO will reconcile these differences monthly and ensure proper corrections are initiated in the next month. Amounts over 90 days old must be obligated. For closed accounts, status-CER differences are authorized when "by others" expenditure transactions properly made before an account closed are cleared and reported in the expenditure reports after the account closed.

(5) Reconcile all collection (expenditure) data to ensure compatibility between the expenditure and status reports. Reconciliations listed below are a minimum requirement.

(a) *Expenditure reports to status reports.* The collection data on the monthly RCS CSCFA-302/ RCS CSCFA-304/RCS TREAS 1061 reports must reconcile to the accumulated collection data and the monthly collection memorandum data on the status reports. Determine the cause for differences and correct in the next reporting period.

(b) *CER and status summary report reconciliation.* DFAS-IN furnishes the AO's/DIAO's a monthly CER and status summary report, which identifies the differences between expenditure and status reporting. AO's/DIAO's are responsible for reconciling the differences and making sure that corrections are

made in the next reporting month.

(c) *Cash blotter to SOT.* Reconcile the net value of disbursements and collection data maintained at the appropriation, fund, or receipt account level with the net value of gross collections and gross disbursements shown in the cash blotter.

d. The Internal Control and Analysis Branch(ICAB)/Analysis and Reconciliation Branch (A&R), of the accounting division will perform the following:

(1) Ensure reconciliations of the totals of original disbursement/collection vouchers received from disbursing each day to the check register and cash blotter in disbursing, and with the automated accounting system totals of vouchers processed by accounting operations. This completes a three-way check to detect errors and fraudulent practices. Examine the original vouchers to ensure they contain either signatures or check numbers, as required. Retain in a locked container until month-end. At month end send to DFAS-IN using a DA Form 3952 (Transmittal of Money Account Papers) along with the SF 1219 (Statement of Accountability). (See Chapter 40).

(2) Account for copies of cash collections.

(a) Disbursing provides copies (each day) of cash collection vouchers made with the cashier by sales officers or others. Ensure that the vouchers reflect both the FAO/DAO-assigned collection voucher (CV) number, and a sales or collection voucher number assigned by the sales/collection office. Each sales or collection office (such as Defense Reutilization Marketing Service or dining facility) uses a consecutive series of voucher numbers. Ensure the receipt of all vouchers and processing of the original voucher in the accounting records. Account for all voucher numbers assigned by disbursing and individual voucher numbers assigned by sales officers making indirect collections.

(b) Remove cash collection vouchers daily that have been deposited by the payees in a locked box located outside the disbursing cage. Verify these vouchers with both the original vouchers and with the processed accounting system totals.

(c) Review original collection vouchers to identify transactions reported on the RCS CSCFA-302 report (see Chapter 29). Notify the collecting activity or sales officer immediately if numbers are not sequential. Notify the finance and accounting officer/defense accounting officer if the amounts on the original and copy of the voucher do not agree.

(3) Receive and maintain vouchers citing the deposit fund account as a subsidiary ledger/file to general ledger account for disbursing officer's deposits. Assure that the collections belong in the deposit fund. Prior to payment by disbursing, review vouchers and claims submitted for payment citing deposit fund accounts. Verify that payment does not

exceed the amount collected for that purpose as recorded in the subsidiary ledger. Reconcile the disbursing officer's Deposits Listing produced by the accounting system to the actual documents recorded in the subsidiary ledger. (See Chapter 31). Retain these amounts no longer than necessary. Review the account at least monthly, to determine proper disposition of funds. Amounts in these accounts must reconcile back to the Disbursing Officer's Fund Activity Report (see Chapter 31).

(4) Monitor and reconcile documents received from civilian pay and disbursing for CSRS/FERS deductions and U.S. Savings Bonds.

(5) Monitor and reconcile documents for the deduction of taxes from military personnel's compensation. Monitoring and reconciling documents for disbursements associated with the Army Suggestion Program and DITY(Do-it-yourself) moves. Reconcile the DO Deposit Listing with military pay and disbursing.

(6) Research TFO reject letters from funded fiscal stations that rejected transmittals on RCS CSCFA-110 reports. (Note: Clear all unprocessed TBOs within 30 days).

#### **28-10. The U.S. Army validation program**

a. The Commander of a MACOM or the FAO/DAO making the payment is responsible for:

(1) Conducting administrative reviews or field investigations of financial transactions potentially subject to fraud or improper payments per AR 27-10 (Military Justice).

(2) Informing the Director, DFAS-IN, Directorate for Administrative and Support Services, ATTN: DFAS-IN/BAB, 8899 East 56th Street, Indianapolis, IN 46249-0001, of all investigative action transferred to a Federal investigative agency. All required documentation for investigative purposes will be requested through your local Investigative Agencies. The Investigative Agencies will submit their requests to Director, DFAS-IN, Directorate for Administrative and Support Services, ATTN: DFAS-IN/BAB, 8899 East 56th Street, Indianapolis, IN 46249-0001. This office is the only authorized agency to release original documentation (primarily for handwriting analysis) and certified copies required for all criminal investigations.

(3) Reporting cases that clearly indicate criminal intent to commit fraud or forgery through installation level military police to the appropriate Military Criminal Investigative Organization or Defense Criminal Investigative Service. Also notifying Director, DFAS-IN, Directorate for Administrative and Support Services, ATTN: DFAS-IN/BAB (Classified documents to DFAS-IN/CCD/R), 8899 East 56th Street, Indianapolis, IN, 46249-0001.

(4) Sending completed investigations to the Director, DFAS-IN, Directorate for Administrative and

Support Services, ATTN: DFAS-IN/BAB, 8899 East 56th Street, Indianapolis, IN 46249-0001, (send classified reports to Commander, U.S. Army Finance Command, ATTN: SFFM-FC) and through appropriate legal channels. When making a determination of indebtedness attach a copy of the instrument (which shows recovery to the U.S. Government) to the review/investigation report sent to DFAS-IN.

(5) Taking appropriate disciplinary action and sending advice of such action to the Director, DFAS-IN, Directorate for Administrative and Support Services, ATTN: DFAS-IN/BAB, 8899 East 56th Street, Indianapolis, IN 46249-0001.

(6) Sending a copy of the collection voucher to the Criminal Investigation Division (CID) to evidence recoupment when a field investigation by the CID finds an erroneous payment. The CID office sends a copy of the Report of Investigation (ROI) to the servicing FAO/DAO. The servicing FAO/DAO determines the amount of the indebtedness and prepares a collection document. The ROI number is annotated in the remarks field.

b. The Director, DFAS-IN (DFAS-IN/BAB), (DFAS-IN/CCD-R for classified documents), is responsible for managing the Army/DFAS Validation Program. The Director --

(1) Provides liaison activity between DFAS-IN and government investigative agencies on cases pertaining to suspected fraud, forgery, or misuse of appropriated funds by soldiers, government civilians, retirees, or contractors.

(2) Responds to inquiries from external investigative agencies. Analyzes pertinent financial documents and determines validity of action, claim or allegation.

(3) Prepares requests for certified copies of various financial documents and sends copies to crime laboratories for analysis.

(4) Coordinates sensitive case information and documentation requests with various DoD investigative agencies which involve suspected fraud, forgery, or misuse of Government funds.

(5) Prepares reports identifying types of cases, dollar amounts involved, and status of open cases.

(6) Maintains and reviews historical files on all cases received from government investigative agencies which pertain to suspected fraud, forgery, or misuse of appropriated funds.

#### **28-11. TFO/TBO transactions**

a. Most of the analyses performed on TBOs are internal to the FAO/DAO in nature. This includes --

(1) Analyzing TBO transactions. Identify those that meet the DFAS-IN criteria for accelerated clearance or absorption of nominal items and aged uncleared transactions where it is not cost effective to perform extensive research to determine their disposition. Use these procedures to ensure that their records

only reflect valid uncleared transactions.

(2) Analyzing error listings from the prior month's RCS CSCFA-304 report. Ensure correction of all alpha errors and related local master file errors in the current month's report. Review numeric errors to determine the need for additional corrections. Verify the validity of the DFAS-IN expenditure edits and local master files.

(3) Reviewing IFMIP and FAO/DAO performance statistics. These include: number of uncleared transactions in suspense project 9966 (Note: Transactions recorded in suspense project 9966 will remain no longer than 120 days, after which time the accountable station will absorb the payment into mission funds); timeliness of TBO receipt and processing; number of suspended records; the number of rejected transactions and their origination, to identify problem disbursing stations; and, rejects, suspended transactions, and errors to determine causes and preventive actions required.

(4) Computing the percentage of TBO business in relation to interfund or to daily business. Identify-ing volume and types of TBO activity by obligation type and by paying stations. Obtain command support for requesting improvements in TFO/TBO procedures at other disbursing stations.

(5) Ensuring that suspended TBOs are monitored and cleared expeditiously. **(Note: clear all TBOs within 30 days of receipt).**

(6) Analyzing the TBO control log, RCS CSCFA-304 report, and the DFAS-IN Uncleared Listing. Ensure they agree, or determine why they are not in agreement, and correct any deficiency.

b. Research instances of a TBO causing a disbursement without obligation or collection without an order-receivable condition. Analyze to determine cause, effect, and corrective action necessary, unless absorption policy applies.

c. DFAS-IN will furnish the following reports for use in analyzing, monitoring and controlling the TBO process:

(1) *Monthly Edit Accepted Report and Monthly Error Report*. These reports reflect all accepted or erroneous TBO transactions from the RCS CSCFA-302 report for prior accounting month. (See Chapter 31 for details.)

(2) *DFAS-IN transmittal recap*. FSN Section reflects TFOs reported on RCS CSCFA-302 report by DSSN, transmittal numbers, and amounts. (See Chapter 31). Compare this listing with the TBO control log.

(3) *DFAS-IN TFO/TBO Reporting System Total Uncleared Listing*. This report reflects all detail charges and clearances that did not meet DFAS-IN's clearance criteria (matched on clearing and charging entity, transmittal numbers, sum of dollars of charges versus clearance). (See Chapter 31.)

## 28-12. Interfund reviews

a. Analyze by reviewing output reports, both internal and external to the installation. Internal reports assess data integrity, and DFAS-IN reports assess timeliness and efficiency of interfund processing.

(1) Use the following summary of analysis information provided by selected reports as a guide for monitoring specific elements of the interfund processing.

(a) Monitor file integrity and work flow efficiency using daily output.

(b) Identify workload volume variances and internal control weaknesses using the RCS CSCFA-304 Edit Accepted List. Reconcile the RCS CSCFA-304 Edit Accepted List to the Status of Funds reports. (See Chapter 31).

(c) Identify error trends and accounting master file problems or inconsistencies using the RCS CSCFA-304 Edit Error List. Correct alpha errors in the next report month submission. Review errors to determine the cause and initiate corrective action to prevent future errors.

(d) Identify billing offices consistently failing to respond to follow-up requests using the DFAS-IN Uncleared Interfund Transactions List or the Interfund Suspense History List. (See Chapter 31). The success of clearance actions at DFAS-IN is dependent on the exact match on the billing Department of Defense Activity Address Code (DODAAC), bill number, and amount. The longer transactions remain uncleared the less chance there is to resolve problems. **(Note: Clear interfund bills within 30 days).**

(e) Identify expenditure differences between the RCS CSCFA-304 report and interfund disbursement amounts reflected on installation status reports.

(f) Compare the report of Outstanding Requests for Billing Adjustment or Duplicate Billing (DA Form 4875-R) with the Analysis of Balance in Suspense. This report will support requests for arbitration submitted to the MACOM.

b. Analyze suspended interfund transactions. Identify those meeting the DFAS-IN criteria for accelerated clearance or absorption of nominal items and/or aged uncleared transactions when extensive research is not cost effective.

## 28-13. Review of documentation and subsidiary files

a. All DAO/FAO service personnel are required to properly document all general and subsidiary ledger journal voucher entries. In accordance with generally accepted accounting principles, proper documentation must consist of a completed journal voucher form OF 1017-G. The primary requirements of this form are:

(1) Create double entry journal vouchers comprised of balanced debits and credits associated with the accounts to which you are posting;

(2) Identify all accounts by account number;  
(3) Provide written explanation for the journal voucher including references to backup information and any related journal vouchers;

(4) Identify each journal voucher by day, month, year, and number;

(5) Obtain authorizing signatures or equivalents.

b. Maintain a continuing review of subsidiary files.

(1) At least monthly and before each joint review perform a review of the subsidiary files to identify and resolve abnormal transaction balances.

Examples are as follows:

(a) Negative (that is, credit balance) commitments, obligations, accruals, or disbursements.

(b) Obligations in excess of commitments.

(c) Accruals in excess of obligations.

(d) Advances in excess of total ULOs.

(e) Disbursements (other than advances) in excess of accruals.

(f) Negative orders received, reimbursements earned, or reimbursements collected.

(g) Reimbursements earned in excess of orders received.

(h) Unearned revenue in excess of unfilled orders.

(i) Reimbursements collected (other than unearned revenue) in excess of reimbursements earned.

(2) Develop systems and procedures to identify the conditions mentioned above as they occur to facilitate the review process and permit immediate resolution. Systems should also provide data for FAO/DAO managers concerning abnormal conditions that remain unresolved for more than ten workdays.

(3) Maintain records portraying the frequency and cause of these abnormal conditions. Advise senior financial management officials of significant or recurring problems due to the direct impact of these conditions on effective fund control.

#### **28-14. Unliquidated obligations - joint reviews**

U.S.C. Title 31, Section 1554(D) requires establishing internal controls to ensure an adequate review of obligated balances is conducted to support the certification required by law. The joint review process is one means to satisfy this statutory requirement.

a. The Director of Resource Management (DRM) and equivalent fund manager for tenant organizations has ultimate responsibility to ensure joint reviews are conducted in accordance with the requirements of this regulation. It is the function of the managerial accountants to coordinate and schedule joint reviews. The FAO's/DAO's will prepare the initial draft of the joint review schedule for the managerial accountants at the beginning of the fiscal year for the entire fiscal year. The managerial accountants will then schedule the joint reviews between the activity directors, FAO/DAO, and appropriate personnel. At those installations where there are no managerial

accountants, the FAO/DAO will take the lead in scheduling and conducting the joint reviews. In all cases, the full responsibility of the joint review rests with the DRM/fund holder. The FAO's/DAO's will give their full support to the review effort. Joint reviews will be conducted in accordance with the phases prescribed in this chapter. The Finance and Accounting Officer/Defense Accounting Officer is responsible for providing professional accounting services to host and tenant resource management organizations. Joint reviews should ensure that:

(1) All known commitments, obligations, orders, earnings, disbursements, and collections are properly recorded.

(2) Amounts reported are correct and in agreement with subsidiary records.

(3) Individual documents comprising the subsidiary records are validated at least once during the fiscal year.

(4) Work papers and records supporting the above are maintained in a manner that facilitates subsequent audit and reconciliation.

b. The DRM/allotment holder must ensure that joint reviews are conducted as follows:

(1) the joint review will include managerial accountants, DAO/FAO personnel, budget analysts, and program directors. Contracting, logistics, legal and internal review personnel may be utilized to assist in the joint review process. Program directors are responsible for the full use of funds and proper execution of programs, with the DRM having overall responsibility for the command's use of funds and execution of programs.

(2) The joint review must be designed and executed by the DRM with assistance from the FAO/DAO to ensure the following are accomplished:

(a) Full verification and validation of the dollar amount of all unliquidated obligations and unfilled orders recorded in the accounting records;

(b) Complete verification of the continuing bona fide need of contractor work in process;

(c) Verification of billing status to ensure that payments are made in accordance with contract requirements (both frequency and amount);

(d) Complete verification of the continuing bona fide need for goods and services that have not been delivered;

(e) Identification and cancellation of nonessential goods and services, and subsequent deobligation of associated unliquidated obligations;

(f) Initiation of actions to implement quick close-out or interim payment procedures for contracts funded by expired appropriations due to close by fiscal year end to ensure that valid payments against these contracts are made prior to cancellation of funds;

(g) Review of all delinquent travel advances to ensure that appropriate collection actions are initiated.

(3) The MACOM DCSRM should establish a joint review task force comprised of the personnel identified previously. This task force should:

(a) Develop a MACOM joint review plan that identifies MACOM review goals;

(b) Perform site visits to subordinate installations in need of assistance;

(c) Regularly review installation orders and payables listings and identify questionable unliquidated obligation line items and amounts.

(4) The joint review process will be accomplished in three phases throughout the fiscal year.

(a) Phase I (October - January)

1. Review all transactions funded by appropriations that are to be canceled on October 1st of the next fiscal year. At the end of this phase, the only unliquidated obligations remaining in support of appropriations to be canceled on October 1st of the next fiscal year should be for contracts (object class '25') that represent firm liabilities for which there is substantial evidence of work in process, and that will require payment. Action must be taken during this phase to ensure that quick close-out or interim payment procedures are initiated as needed for contracts funded by expired appropriations due to close by fiscal year end. Where external audit is required prior to contract closure, action must be initiated to ensure audits are requested and completed to enable final payment prior to close of the fiscal year.

2. Verify the validity of current year obligations and amount recorded.

(b) Phase II (February - May)

1. Review all transactions funded by expired appropriations. By the end of this phase, the only remaining unliquidated obligations supported by expired appropriations should be for contracts and long lead time supply and equipment items for which there is a continuing bona fide need.

2. Follow-up on Phase I efforts to ensure corrective actions are being taken as planned.

(c) Phase III (June - September)

1. Review all current year unliquidated obligations and the amount recorded. Adjust all orders, contracts, requisitions, etc., to ensure that the unliquidated obligation amount is correct.

2. Follow-up on Phase I and II efforts to ensure corrective actions are being taken as planned.

c. Reporting requirements.

(1) The following information is required after each joint review and should be received at Headquarters, Department of the Army no later than 15 calendar days after the ending period of each phase. This is a MACOM level reporting requirement. Installations should send the required information to their MACOM's in sufficient time for the MACOM's to prepare the report for HQDA. The MACOM's will send reports to ASA (FM&C) Financial Operations,

ATTN: SAFM-FCL, Washington, DC, 20310. (See Chapter 29 for complete reporting requirements):

(a) FY and appropriation reviewed - list the fiscal year and the appropriation for each appropriation reviewed. Separate data is required for each appropriation.

(b) Total unliquidated obligations as of September 30 - provide the dollar amount of the total ULO reported on the September 30 certified reports for each appropriation reviewed.

(c) Total ULO reviewed - provide the dollar amount of the unliquidated obligations reviewed during the current review phase. Provide a narrative explanation if this amount is less than the amount reported on the September 30 certified reports for each appropriation reviewed.

(d) Total ULO liquidated - provide the dollar amount of the unliquidated obligations liquidated as the result of the review. Include liquidations resulting from deobligation and payments.

(e) Total ULO in object class '25' - provide the dollar amount of unliquidated obligations remaining after the review in object class '25' (contractual services). Provide a narrative explaining any unliquidated balances in an object class other than '25'.

(f) Net (amount) - this is the total amount of the unliquidated obligations contained in the financial statements and reports.

(g) Negative (amount) - amount of the unliquidated obligations where total disbursements exceed the supporting obligations for a specific contract, requisition, purchase order, etc.

(h) Gross (amount) - the total amount of the unliquidated obligations minus the negative unliquidated obligations.

## **28-15. Negative Unliquidated**

### **Balances/Disbursements in Excess of Obligations**

a. For various reasons negative balances may occur in the accounting records at the individual obligation document level, allotment, program or fund authorization level, or appropriation account level. These adverse negative situations may be indications of errors such as lost or missing transactions, or posting or recording errors for obligations, disbursements or collections (outlays). Negative balances in the accounting records are a serious adverse condition, and when such balances of substantial size are included in financial statements, may materially affect those statements, and preclude such financial statements from fairly and accurately presenting the financial condition and results of the program, agency, and department affected. This situation may also indicate a potential Antideficiency Act, 31 USC 1517, violation which may require an investigation.

b. Each Operating Agency, and Army Finance and Accounting Officer will designate, in writing, a project

officer and alternate, who will manage this project at their level to assure compliance with these policies and procedures, to assure completion of necessary accounting and finance actions, and to act as the point of contact (POC). For defense accounting offices, the Director of Field Operations and Accounting Consolidation, DFAS-IN/AE, will designate, in writing, a project officer and alternate.

c. The following paragraphs are listed by condition codes 1, 2, and 3 and include cross-disbursement procedures (see Chapter 29 for reporting instructions).

(1) Condition 1 - definition: disbursements in excess of recorded obligations at the appropriation level when the appropriation manager does not have sufficient unobligated balances available in amounts that equal, or exceed, the amount by which disbursements exceed recorded obligations at the appropriation level.

(a) If this condition is discovered/identified during the accounting process, for example review of accounting reports, the DFAS-IN project officer will:

1. Upon discovery of the condition (day one), issue a message to immediately stop all payments by notifying the entire treasury disbursing network, including, army, air force and navy disbursing offices.

2. Initiate an aggressive research and review with the fund holder of all pertinent information to determine the cause and correct any accounting errors in a timely manner.

3. Immediately notify the appropriation manager's point of contact (POC) of the condition, the stop payment action and that a potential Antideficiency Act violation exists, and the need for funding. If the appropriation manager's POC is not known or available, DFAS-IN will contact the Office of the Assistant Secretary of the Army for Financial Management, ASA (FM&C), or in the case of Defense agency appropriations (Department 97), the DoD Comptroller, program/budget.

4. Contact DFAS-HQ, Deputy Director for General Accounting (DFAS-HQ/G) and provide pertinent information. This will also include preparing the monthly report as required in Chapter 29.

5. If by the end of 120 days after the discovery of the condition (day one), research fails to resolve the condition,:

- (a) Immediately notify the appropriation manager that they are required to provide the necessary funds, if available, within 5 days and that a funding document is required to be processed so that the obligation(s) and payment(s) are covered. If not provided in a timely manner, the DFAS-IN project officer will initiate follow-up action.

- (b) Notify the appropriation manager that a potential violation of the Antideficiency Act should be reported and an investigation initiated, if not already underway.

- (c) Notify DFAS-HQ/G that an appropriation manager may not have sufficient unobligated balances available under this condition.

- (d) Issue a message to resume payments when applicable additional funding is made available and the over-disbursement has been obligated. Again, this message will notify the entire Treasury disbursing network.

(b) Upon receipt of the DFAS-IN stop payment message, each disbursing officer will:

1. Immediately effect a hold, that is stop payment, on all such disbursements by administrative procedures and/or system hold when possible until the condition is satisfactorily resolved.

2. Immediately begin research efforts to determine the cause of the condition and correct any identified disbursing errors.

3. Review payments in process, including vouchers not yet disbursed, payments held for cash management purposes, and invoices on hand, and identify and hold all payments identified to the appropriation or fund authorization.

4. Continue to receive and accept invoices for payments against the appropriation or fund authorization, and process to a holding file. The invoices in this holding file will be aged. However, all such payment vouchers will be taken into the custody of the entitlement area for control purposes.

5. If notification of the condition came from someone other than the DFAS-IN project officer, notify the DFAS-IN project officer of the situation and provide any requested research and information to assist the DFAS-IN project officer.

6. Notify the DFAS-IN project officer immediately if the necessary funding document is received or when any other changes to the obligation status occur, including correction of disbursing errors.

7. At any time during the process, when the applicable additional funding document is made available and obligated by the fund holder, or the cause of the condition, for example disbursing errors, have been corrected, and upon notification by the DFAS-IN project officer, initiate action to resume the payment process. The DFAS-IN project officer will then notify the appropriation manager of the action to resume payments.

(2) Condition 2 - definition: disbursements in excess of recorded obligations at the appropriation or fund holder level when the appropriation manager or fund holder does not have sufficient unobligated balances available in amounts equal to, or in excess of, the amount by which disbursements exceed recorded obligations at the appropriation/fund holder level.

(a) Upon discovery of this condition (day one) the DFAS-IN project officer, Defense Accounting Officers, and Army Finance and Accounting Officers will:

1. Immediately begin research efforts to determine

the cause of the condition and correct any accounting errors, and notify the disbursing network.

2. Immediately notify the fund holder that they are required to reserve, commit, or obligate funds in accordance with this regulation.

3. If, at the end of 120 days from the date of discovery, research efforts fail to result in the correction and elimination of the condition, immediately notify the appropriation manager or the fund holder that they are required to obligate, within 5 days, funds in an amount equal to the amount of disbursements in excess of obligations and retain such amounts in the account until such time as the condition is satisfactorily resolved. This may involve withdrawing funds already allotted or reserving unallotted amounts at higher command levels.

4. Prepare the monthly report, per Chapter 29, by the due date. Each Finance and Accounting Officer/Defense Accounting Officer will prepare this report and submit to their accounts office who will consolidate these reports for operating agencies (OAs) serviced and will forward this report to DFAS-IN project officer.

(b) Based on the receipt of the report, the DFAS-IN project officer may request additional information.

(c) Disbursing officers when notified of this condition by the Defense Accounting Officer/Finance and Accounting Officer will immediately begin aggressive research efforts to determine the cause of the condition and correct any disbursing errors.

(3) Condition 3 - definition: disbursements in excess of obligations at the obligation level (department/fiscal year/basic symbol/document number), including when no obligation has been recorded.

(a) Upon discovery of this condition (day one), the Defense Accounting Officers/Finance and Accounting Officers and the DFAS-IN project officer will:

1. Immediately begin research efforts to determine the cause of the condition and correct any accounting errors, and notify the disbursing network.

2. If, at the end of 120 days from the date of discovery, research effort fails to result in the correction and elimination of the condition, immediately notify the fund holder that:

(a) Disbursements exceed obligations at the obligation level (department, fiscal year, basic symbol).

(b) If, at the end of an additional 60 days (180 days from day one), further research efforts of the fund holder fails to result in the correction and elimination of the condition, the fund holder is required to immediately provide obligating documents sufficient to cover the disbursement in excess of the obligation, and provide the DFAS-IN project officer with an obligation funding document in a timely manner, and maintain that obligation until the condition is satisfactorily resolved. This may involve withdrawing

funds already allotted or reserving unallotted amounts at higher command levels.

(c) At the end of the month, the Finance and Accounting Officer/Defense Accounting Officer will prepare the report per Chapter 29, and submit to DFAS-IN, by the due date.

3. Disbursing Officers when notified of this condition by the Finance and Accounting Officer/Defense Accounting Officer will immediately begin aggressive research efforts to determine the cause of the condition and correct any disbursing errors.

4. The establishment of refunds receivable to restore the fund availability charged for these disbursements is prohibited. Cash availability can only be increased when the SF 1081 correction of the transaction is actually processed through the U.S. Treasury. (Note: When an actual overpayment is identified, the DAO/FAO must (1) obligate the amount of the overpayment and (2) establish a refund receivable for the amount of the overpayment. If sufficient funds are not available, notify the fund holder to make action to cover the amount of the overpayment.)

(4) Cross-disbursements - when a disbursement is cross-disbursed and:

(a) The DFAS-IN project officer and Defense Accounting Officer/Finance and Accounting Officer agree that the disbursement is a valid against the DoD component, the policy guidance for conditions 1, 2, and 3 apply.

(b) The DFAS-IN project officer or the Defense Accounting Officer/Finance and Accounting Officer agrees that the disbursement is not properly charged, and also agree to the proper obligation, fund holder, appropriation or DoD component to be charged, then a correction/rejection document will be initiated by the Defense Accounting Officer/Finance and Accounting Officer, depending on the cause, to charge the proper obligation, fund holder, appropriation or DoD component. The DFAS-IN project officer will assure that the correction is processed in the accounting system and reported. The DFAS-IN project officer will notify the appropriation manager's POC that a corrected document has been processed to cite the proper information.

(c) The situations remain unresolved, the Defense Accounting Officer/Finance and Accounting Officer will forward all documentation to the DFAS-IN project officer. The DFAS-IN project officer will forward the documentation to DFAS-HQ/G. DFAS-HQ/G will coordinate with the OSD comptroller and the fund holder(s) for resolution. The resolution will be dependent on the available supporting documentation, and any other facts presented by interested parties, and any recommendation(s) presented by any party.

(d) Notification has been received from the Director

of Finance and Accounting Policy Implementation, DFAS-IN/AM to stop payment against a particular appropriation or fund, all disbursing officers will:

1. Immediately cease disbursing from the designated appropriation or fund.
2. Retain any invoices submitted for payment against that appropriation or fund, including payments in process, payments held for cash management purposes, and invoices on hand. Process all collections and credit adjustments.
3. Advise the vendor that payment is being withheld temporarily pending notification that funds are available to make payment.

4. Process all interfund bills and transactions-by-others (TBOs) citing the designated appropriation. Interfund bills and TBOs citing appropriations other than those designated which, upon review, should have cited the designated appropriation and which therefore, require an adjustment should be processed as follows:

(a) If the adjustment would result in a charge (debit) to the designated appropriation, suspend the transaction until further notice.

(b) If the adjustment would result in a credit to the designated appropriation, make the adjustment.

5. Hold all suspended vouchers. Do not send suspended vouchers to DFAS-IN.

6. At the end of each month, for condition 2 and 3, each Defense Accounting Officer/Army Finance and Accounting Officer will prepare a monthly status report for the current period. For condition 1, the DFAS-IN project officer will prepare the report from the departmental reports; for conditions 2 and 3, reports will be prepared by the Defense Accounting Officers/ Finance and Accounting Officers and forwarded to the servicing accounts offices who will forward reports on to the DFAS-IN project officer. Also, for condition 2 and 3, the report prepared by the Defense Accounting Officers/Finance and Accounting Officers will be at the obligation level - Department/Fiscal Year/Basic Symbol/Document Number. The report prepared for condition 2 is for the fund holder (recipient of the fund allowance/ authorization document). It is important that Defense Accounting Officers/Finance and Accounting Officers take necessary action to ensure that transactions obligated stay visible in the accounting records and do not roll over or clear. This will allow the program directors/fund holders to see the transaction(s) and review as necessary. Prepare and submit the monthly status report according to procedures and format in Chapter 29.

#### **28-16. Army Procurement Appropriations (APA) customer programs**

##### *a. Reimbursable Order Write Down*

(1) Year-end unexecuted reimbursable order write down procedures for APA are outlined in Table 28-2.

For a reimbursable order to be retained on the books, it must have been executed. Execution is defined as earned and/or obligated depending on order type. Also note the difference in policy for expired/expiring appropriation verses unexpired appropriations.

(2) If the unexecuted portion of the customer order is identified as excess, the customer order will be amended and funds returned. If unexecuted portion of the customer order is still valid, a new order will be established in the ensuing fiscal year.

##### *b. Cancellation of reimbursable Orders*

(1) Prior to canceling reimbursable orders the following conditions will be met at pre-closing:

(a) Unfilled orders equal unliquidated obligations.

(b) Orders equal obligations.

(c) Earnings equal disbursements.

(2) Reimbursable write down procedures state, for a reimbursable order to be retained, it must be executed. Execution for expired orders is defined as obligations.

(3) Reimbursements earned is the cost incurred in the completion of customer orders by the performing activity. Use these costs as a basis for billing customers. Disbursements on the performing activity's books correlate to costs incurred.

(4) At post closing, cancel unliquidated obligations and transfer unfilled orders and accounts receivable to a miscellaneous receipt account.

##### *c. Upward Obligation Adjustments*

(1) Upward obligations are permitted in prior years to the extent of obligation authority. APA obligation authority is defined as the total of direct funds and FRA. Beginning each fiscal year, an obligation authority ceiling is established for each appropriation. At fiscal year-end, prior APA status reports should not reflect a net upward obligation, likewise, order value at the appropriation level, since no additional funded reimbursement authority (FRA ) or obligation authority is available.

(2) For RC and CP orders, the customer order is amended and additional funds are requested for the amount of the upward adjustment.

#### **28-17. Inventory reviews**

a. For those inventories maintained by a financial inventory accounting system, there is an auto-mated reconciliation between the general ledger account and the line item accounts in the stock record accounting system. Review at least monthly and adjust the accounting (quantitative or financial) records based on results of research. Inventories not having automated line item accountability will have at least an annual physical inventory. Evaluate adjustments to the financial records for reasonableness. Bring disparities or inconsistencies to the attention of the logistics manager.

b. Inventory in-transit represents inventory for which

payment was made but where no receipt has been processed. Due to long lead times, there is an acceptable level of inventory in-transit unique to each location. Awareness of the local factors and what constitutes a reasonable balance is necessary to effectively evaluate in-transit inventory. Each month most accounting systems produce reports of inventory in-transit within various aging categories. Send a copy of this report to the supply activity for action. This report includes paid local purchase and depot requisitions for which no receipt has been processed. This condition is commonly caused by lost shipment, delay in processing receipt transactions, or the conditions described in paragraph f below. Local purchase transactions should not remain in-transit for more than 30 days. Resolve overage transactions with activities.

c. The balance in inventory temporarily in use represents loaned equipment and non-expendable supplies. Perform periodic reviews of this account to identify items overdue for return. Items returned with a condition code lower than when it was issued should have a Report of Discrepancy (ROD) on file. Evaluate if the value billed the borrower based on the ROD is reasonable. Report under billings, repetitive RODS from the same borrower and other trends to the logistics manager.

d. Guidance for handling issues or transfers without reimbursement consists of the following:

(1) Ensure nonreimbursable issues or transfers are limited to--

(a) Intra- and inter-departmental transfers of excess materiel valued at less than \$15,000 per line.

(b) Transfers of excess materiel to other U.S. Government agencies as authorized by General Services Administration (GSA) disposition instructions; that is, donations for health, education, and welfare purposes.

(2) Make transfers to other DBOF-SMA branches on a reimbursable basis except for excess mobilization reserve or contingency plan stock.

e. Materiel returns require determining the ratio between credit granted to customers versus credit received. Perform a random test of recorded transactions allowing customers credit for materiel returns. This test will include tracking the item through supply activity files to depot returns or final destination. This requires close coordination with supply activity personnel for accounting inquiries into logistics files. (For example, the customer received 85 percent credit on returns to the DBOF-SMA, but the DBOF-SMA was allowed only 40 percent credit from its source of procurement). Since the DBOF-SMA home office gives the percentage of credit to customers, notify the home office for adjustment, if the credit is greater than the allowed percentage.

f. Compare purchases to issues for the review period. Any significant differences between the two

should relate to an increase or a decrease in the general ledger inventory on-hand balance. When the change in inventory balance does not relate to the difference between purchases and issues, the inventory balance could be affected by customer turn-ins, creditable returns to the depots, disposal of items on hand without credit or accounting adjustments. Sample these transactions to make sure they follow prescribed guidance and procedures in coordination with installation supply activity personnel. Report out of proportion conditions which remain open for more than a single accounting period to the DBOF-SMA manager.

g. Comparison of purchases at standard price and purchases at cost will determine if a significant price variance exists. If so, coordination between accounting and supply personnel is necessary for taking proper action.

h. In cases of returns with no credit granted, analyze returned materiel transactions when credit has been denied by the supplier. Inform the DBOF-SMA manager who can take actions to preclude future loss of credit granted. On occasion, the supplier denial is not valid. Analyze materiel classification and shipping/transportation procedures to determine if items were properly classified and shipped within the prescribed time frame. If so, request credit again, and provide copies of shipping documents to substantiate the request. Problems in receiving credit for returns has a direct impact on the cash balance of the DBOF-SMA. It must be resolved in a timely manner. Credit may be denied because of any of these reasons:

(1) No authorization to return the item.

(2) The condition received was less than reported by the returning entity (Note: this could result in reduced or no credit).

(3) Not receiving the item within the prescribed time frame.

(4) Not receiving all or part of the materiel by the supplier.

(5) No record of ROD submitted.

i. For transfers to the Defense reutilization Marketing Service (DRMS) monitor and coordinate with supply activity personnel. Review transactions to determine whether items were reported to the inventory control point, if disposition instructions were received from the inventory control point, and if the materiel was properly classified when turned in by the customer.

j. For unbilled receipts obtain a detailed listing of accounts payable representing unbilled receipts in the subsidiary ledger with no action for over 120 days, over 180 days, or over 240 days (MACOMs may prescribe shorter aging periods). (See Chapter 34).

k. Use performance indicators to identify current trends while providing forecast information usable in

the budget development stage. The following performance indicators may be useful--

- (1) Obligation rates,
- (2) Obligations to demands,
- (3) Obligations to sales,
- (4) Percent of inventory growth,
- (5) Percent of returns to sales,
- (6) Ratio of Accounts Receivable to sales,
- (7) Ratio of Accounts Receivable to cash, or
- (8) Ratio of inventory in-transit to total inventory.

#### **28-18. Cash management**

a. Accountants will assist in the establishment and continuous evaluation of controls within the daily reconciliation routine to detect--

- (1) Excess cash holdings.
- (2) Transactions suitable for non-cash instruments.
- (3) Late and early payments.
- (4) Lost discounts.
- (5) Untimely deposits to the U.S. Treasury General Account or the Federal Reserve Bank.
- (6) Poorly developed or erroneous cash forecasts.
- (7) Untimely billing cycles.

b. Monitor cash outflows to ensure that disbursements are delayed as long as legally possible. The method of disbursement must be analyzed to determine if an FAO/DAO has an effective cash management program.

c. Finance and Accounting Officers/Defense Accounting Officer will establish the necessary internal operating controls to ensure on time payment of accounts. Significant volumes of early payments, lost discounts, or interest penalty payments should alert accountants that U.S. Army resources are not being used effectively. Monitor and evaluate payments to contractors using these techniques:

(1) *Contract terms.* Review contract terms to ensure that payment terms are identified. Periodically review contracts returned as incomplete contracts. Sample invoices for compliance with the contracts. Accountants will contact the procurement office and provide any information on compliance concerning deficiencies that would assist that office in preventing future problems.

(2) *Early payments.* Compare actual payment dates with the due dates. Identify the reasons for early payments.

(3) *Lost discounts.* Review the "Lost Discounts Reports" to determine why discounts are lost and the materiality of the amounts. Reasons for lost discounts may be FAO/DAO procedural problems; late receipt of receiving reports from serviced activities; or inadequate vendor procedures. Contact the responsible parties to identify corrective action and preclude continued loss of installation resources.

(4) *Interest penalties.* Interest penalties may result from late receipt of receiving reports or inefficient processing procedures within the FAO/DAO. Identify

the problems to the FAO/DAO and the serviced activities.

(5) *Advances and progress payments.* Evaluate advances to contractors and progress payments for reasonableness, accuracy and compliance with contracts.

d. Monitor collections and cash on hand using the following analysis techniques:

(1) Identify collections received by mail and those received "in person" or "over the counter". Analyze receipts to ensure that deposits are being made on the day of receipt by comparing the date of receipt with the date of deposit. When determining if same day deposits are being made, count the receipt date as the day the cash or check was received by a U.S. Government agent or activity. Upon change of banks or deposit procedures ensure that the receipts are deposited in a Federal Reserve Bank or in a bank that makes daily transfers to the U.S. Treasury's General Account (see DA PAM 37-100-FY). Periodically ensure that the deposits are made in time for the bank to transfer funds to the U.S. Treasury General Account if the bank is not a Federal Reserve Bank.

(2) Identify serviced activities that collect cash and review their procedures. If they submit re-cceipts to the FAO/DAO, ensure that collection vouchers are sequentially numbered and submitted in time for the daily deposit. For activities that deposit collections directly in the bank, ensure the deposits are sequentially numbered and made within established timeframes. Periodic sampling should identify any routine delays requiring corrective action by the Finance and Accounting Office/Defense Accounting Office.

(3) Review daily cash outlays closely to forecast cash needs. Segment the various components that make up the "needs" to their lowest elements to allow better analysis of trends and aberrations. Use a historical average (based on time of month and/or day of the week) to project cash needs for those items which can't be specifically predicted, and forecast for payment at the appropriate time. Monitor operations for unprogrammed changes in purchases/payments and issues/collections and their impact on cash.

#### **28-19. Debt analysis and avoidance**

a. Analyzing unfavorable trends in accounts receivable is of major importance in determining problem areas and corrective action. Effective analysis and coordination is key in maintaining a good debt collection program. When analyzing delinquent receivables, determine if delinquencies are encouraged by current procedures.

(1) Open accounts receivable over 30 days old may indicate: self-reimbursement procedures are not being used; customers do not agree with billing

information; the customer's FAO/DAO is not performing properly; or, action is required to restrict/terminate future activity.

(2) A high rate of delinquent travel advances may be the result of an advance policy that is too liberal, allowing travelers to draw advances in excess of their needs. Review computation advances for compliance with U.S. Army policy and ensure that the routine deduction of advances from the pay of travelers who fail to settle their vouchers promptly is instituted at the installation.

(3) A rise in delinquencies resulting from dishonored checks could indicate that collection procedures and penalties are too lax, the bad check list is not being utilized, or insufficient information is requested from check writers to trace the debt.

(4) A significant increase in delinquent medical bills for a specific category of patients may indicate weaknesses in the procedures for assuring "ability to pay", or in identifying who is financially liable for services rendered. Develop alternative procedures such as direct billing to a third party and/or obtaining an affidavit for payment upon admission, to resolve problems.

b. Debt avoidance measures will yield the greatest benefit toward controlling delinquent debt. Perform an annual review of the installation accounts receivable program to identify areas where alternative payment methods or self-reimbursement procedures are workable.

c. Review open accounts receivable transactions over 30 days old.

(1) Ensure follow-up letters were sent for all transactions over 30 days old. Ensure continued follow-ups are made.

(2) Review deferred accounts receivable procedures.

(3) Review and comply with uncollectible accounts receivable write-off procedures. (See Chapter 12).

(4) Verify that there are no accounts receivable over 30 days old from a DoD customer. If there are, determine why interfund, TFO, and/or TBO procedures are not being used.

## **28-20. Non-Appropriated fund (NAF) management information**

a. *Management advisory service.* Accountants providing management advisory services must look beyond the routine process of recording transactions and preparing reports. The accountant must become familiar with the client's business activities, analyze its financial statements, identify trends, meet face-to-face with NAF managers, suggest changes, and provide input to the NAF management decision making process.

(1) Become familiar with the local NAF operations by going to the NAF business facility, observing daily operations and asking questions. This should provide

a better understanding of the problems encountered by the business manager and overall NAF management, and allow suggestions to improve operations and increase profitability by reducing administrative workload and improving document flow.

(2) Meet with NAF managers at least once per month to discuss the operation's financial position and provide input to the management decision making process. The financial statements portray historical performance and are very effective in the trend analysis process when examining relatively stable operations. Examine new or highly volatile operations with the responsible NAF managers on a more frequent basis to quickly pinpoint problem areas.

(3) Analyze financial statements and trends and provide an analysis to indicate where the manager stands in the program execution. By comparing prior-period operations with current period performance and planned execution with actual performance, NAF managers can focus their attention where it is needed most. The budget subsystem of the Nonappropriated Fund Information Standard System (NAFISS) provides the basic ratios. However, these ratios are only the first step in the analysis process.

b. *Interim financial statements.* Provide management advisory services that go beyond the production of monthly financial statements. (For example, interim financial statements help NAF managers monitor marginal operations and are effective tools to minimize losses due to excessive cost of goods sold and unnecessary labor costs). NAF managers must provide additional information, such as daily labor hours worked by employees and input for perpetual inventories of resale items, for the accountant to produce interim statements. If NAF managers provide this information, the accountant should provide the interim statements and analysis.

## **28-21. Month-end and year-end procedures**

a. Table 28-3 is a checklist to assist installations, AOs/ DIAOs, and OAs in month-end preparation and processing. These checklists are not intended to replace guidance contained in other parts of this regulation. Director DFAS-IN will provide U.S. Army MACOMs, OAs, and AOs/ DIAOs with additional accounting instructions (letters/messages) for fiscal year-end reporting.

b. The accounting period established by DoD to agree with GAO standards is the calendar month. Public law has established the fiscal year to cover the time period from October 1 through September 30. Generally accepted accounting principles require processing all known accounting transactions in the accounting period to which they pertain (for example, record and report all known obligations and disbursements during any particular month).

c. For expired/closed single-year and multi-year appropriations, the Finance and Accounting Officer/Defense Accounting Officer is no longer responsible for fund control. At installations using decentralized fund control, the Management Accounting Branch or designated finance and accounting officer will, at the end of the fiscal year, establish an account for each single-year and multi-year appropriation, by OA, which has expired/closed for obligation purposes. The purpose of the account is to provide for a single account control over the utilization of prior-year funds for obligation adjustment transactions and to keep track of those closed-year transactions cancelled requiring current funds. These accounts will reflect a consolidation of the unobligated balances transferred from the activities records (identified by allotment number) for funds received from the same funding source for the same appropriation. Use available funds in these appropriations for adjusting obligations. Do not use these available funds to incur new obligations. Account and report for obligations and expenditures by the year of funds obligated. Report monthly, until closed, the activity relative to these prior-year funds in accordance with chapters 29 and 30. As part of the year-end procedures, installations will inventory unliquidated obligation documents. Reconcile the total unliquidated obligation documents with the related allotment account balances as of September 30 of the ended fiscal year.

d. For closing appropriations, at the end of the fiscal year, cancel all outstanding balances. Perform an inventory of related document files to insure that documents are available to support the amounts transferred. Immediately subsequent to the submission of the applicable September 30 reports, close out the "unobligated balances" reflected in appropriation accounts which will close as of that date by processing a journal voucher reducing the "allotments received" of the applicable allotment ledger accounts by the amount of their unobligated balances. Unfilled orders supported by valid reimbursable obligations in closing accounts will not be written-down during the year-end reimbursable order adjustment process. When products or services are provided to customers after the performer's account closes, follow the guidance in Chapter 12 for earnings related to closed accounts. Cancel unobligated and obligated (direct and reimbursable) balances in closing accounts during post-closing of the standard general ledger. Prior to closing, all abnormal balances must be resolved. This includes negative unliquidated obligations, over-disbursements, and over-payments.

e. For prior-year's obligations, at the beginning of a new fiscal year, continue to account for unliquidated obligations remaining from the prior- fiscal year except for those that were cancelled.

f. Allowances/allotments received by installations to implement the budget program of a new fiscal year are dated no earlier than October 1 of that fiscal year, subject to the availability of funds, with receipt by field installations during the last month of the closing fiscal year. Record these allowances/allotments in the accounts established for the new fiscal year. Include in fiscal reports for the period beginning after October 1 of the new fiscal year.

g. For recording civilian annual leave, at the end of each calendar year, make an adjustment for appreciation, transfers in and out, and applicable increases in civilian annual leave. When preparing the journal voucher, extend the number of hours of leave carried over at the current pay rate of each employee to reach the total.

h. Distribute these expenses based on performance factors. See DA PAM 37-100-FY for detail AMS reporting requirements and guidance in the use of RPMA accounts.

i. For distribution of allotment data, at the end of the month, upon completion of posting of all documents processed and received during the month, reconcile and balance the subsidiary accounts to the allotment accounts before closing the allotment accounts and/or the control ledger accounts. To preclude delays at month end in report preparations, installations may find it advantageous to effect this reconciliation between the control account and related allotment and subsidiary accounts periodically during the month. When time does not permit the monthly reconciliation of subsidiary ledgers/ accounts, perform a quarterly analysis and document for audit and reporting purposes. If the distribution of funds at the installation/activity level is not done via a mechanized accounting system, verify the distribution at the end of each month. Do this after processing all fund transactions for the month.

## **28-22. Annual certified reports**

a. All status of resources and reimbursement reports require certification at the end of each FY. Submit September 30 reports by the due dates published in the DFAS-IN year-end letter of instruction.

(1) U.S.C. Title 31, Section 1554 requires identifying unobligated balances, unliquidated obligations, balances canceled, payments made (including those for obligated balances canceled), and obligation adjustments made (including those for obligated balances canceled) to appropriation accounts during the fiscal year just completed. This applies to all accounts.

(2) The actual canceling of unobligated and obligated (direct and reimbursable) balances occurs during post-closing. Accordingly, certified year-end

reports must identify the unobligated and unliquidated balances for each closing account. FMS certified reports for Administrative, Logistics or Security Assistance Organization allocations can reflect unliquidated obligation balances for the current fund year plus four expired fund years but no unobligated balances. These cases are identified for the FMS appropriation (97 11X8242) when a country code of zero zero is cited in the first two positions of the limitation.

(3) Include a schedule of balances canceled in the certified report package. This schedule will identify the name of the command/activity, Operating Agency code, AO/DIAO code, closed appropriations, the unobligated, unliquidated, and total balance canceled for each closed appropriation, and the name, title, and phone number of the report preparer. FMS certified reports will include a CFI memorandum listing that identifies all of the unliquidated obligation balances cancelled for fifth expired fund years. Listing should include the appropriate case (fund year), line number, source of obligation, dollar amount, cancellation date, and liquidation date.

(4) The U.S. Treasury requires footnoting the certified reports for known payments for obligated balances canceled which will be paid during the ensuing fiscal year.

b. Verify the following information before certifying reports:

(1) The total for undelivered orders and contracts, plus accounts payable and other accrued liabilities, minus outstanding advances and prepayments, must agree with the amount of certified ULOs for each account.

(2) The amounts reported and certified as ULOs as of September 30 of the current FY agrees with the amounts of ULOs as of September 30 of the prior FY, plus net obligations reported for the current FY, minus the disbursements reported for the current FY. Make the reconciliation at the level at which reports are submitted.

(3) The amounts reported for unfilled orders, end of period, are the amount of unfilled orders certified as of September 30 prior FY, plus orders received during the current FY, minus reimbursements earned.

(4) The amounts of reimbursement receivables, end of period, equal the amounts of reimbursement receivables certified as of 30 September prior FY, plus reimbursements earned during the current FY, minus reimbursements collected. Make the reconciliation at the level at which reports are submitted.

(5) DFAS-IN, Departmental Accounting Operations, will return all reports not meeting the above criteria for correction and recertification.

c. Installation or activity level certification consists of the following:

(1) The commander or a designated representative (including the civilian equivalent) who receives an allowance/allotment of funds certifies year-end reports. If the tenant or satellite certifying officer does not have access to source documentation for obligations, he or she may ask the servicing FAO/DAO to certify the validity of the supporting documentation.

(2) The commander may delegate certification to the deputy commander (including civilian equivalent), Chief of Staff, or DRM/Comptroller. Make the delegation in writing to a position, not a named individual, to accompany the year-end reports.

(3) Certify year-end reports as follows:

(a) Non-capitalized Finance and Accounting Office (FAO). Certify the year-end reports using the statement contained in the year-end letter. The certification will be signed by the installation commander or his delegate.

(b) Defense Accounting Office (DAO). The DAO will provide allotment holders the certification statement provided in the year-end letter on a separate cover letter. Then, the installation commander or his delegate will certify the reports also using the statement provided in the year-end letter.

(c) Non-Capitalized Accounts Office (AO). The AO will provide the signed certification statement to the operating agency on a separate cover letter. The operating agency will then certify the reports using the statement provided in the year-end letter.

(d) Defense Intermediate Accounting Office (DIAO). The DIAO will provide the signed certification statement to the operating agency on a separate cover letter. The operating agency will then certify the reports using the statement provided in the year-end letter.

(e) Certification of Special Open Allotment. The Special Open Allotment Accounts are to be certified by the installations commander or DRM (DAO can not certify these reports). The commander may delegate, in writing, the Finance and Accounting Officer to certify only the Special Open Allotment year-end reports.

(f) Certification of General Ledger. Both capitalized and non-capitalized offices will certify the general ledger.

(4) OAs determine the need for recertified reports. Recertifications must be made by an individual no lower in the command structure than the original certifying official. Recertify reports using the same statement. List only the recertified reports on the recertification statement.

(5) Certify upward obligation adjustments to expired appropriations, exceeding \$100,000 using the format provided in the year-end letter.

d. OA/AO/DIAO level consists of the following:

(1) Certify the following reports by title and reports control symbol (RCS) at fiscal year-end:

- (a) RCS CSCFA-218 (Status of Approved Resources).
- (b) RCS CSCFA-208 (Status of Direct Program Execution, Procurement Appropriations).
- (c) RCS CSCFA-210 (Status of Customer Program Execution, Procurement Appropriations).
- (d) RCS CSCAA-118 (Parts I and II) (Status of Reimbursements).

(2) The certification states that-

(a) The account balances are supported by certified reports from installations and activities of the OA.

(b) The account balances are a correct consolidation of the account balances in the installation or activity-certified reports.

(c) All known transactions meeting the criteria of U.S.C Title 31, Section 1501(a) have been obligated and are so reported.

(3) The commander (including the civilian equivalent) or designated representative who receives an allowance, allocation or suballocation of funds certifies year-end reports.

(4) The commander of the organization may delegate the certification to the deputy commander (including civilian equivalent), chief of staff, or DRM/Comptroller or equivalent position. Commanders of organizations that receive accounting support from another organization may delegate the certification to the DRM/Comptroller of that organization. Make the delegation of certification in writing to a position, not a named individual, to accompany the year-end reports.

(5) Use the statement shown in the year-end letter to certify the consolidation of the year-end reports. This statement is used by AO's/DIAO's who are required to certify to their MACOMS or to the actual certifying official stating that a correct consolidation of installation level certified reports was accomplished in accordance with this regulation.

(6) The certifying official must initial each pen-and-ink change made to the account balances at the appropriation level at the time of certification.

(7) DFAS-IN will determine the need for recertification based upon the materiality of adjustments. Make recertifications no lower in the command structure than the original certifying official. Recertify reports using the same statement as on the original certification.

(8) The above requirements for certification statements on year-end reports are required by Program Executive Officers (PEOs).

## **Section II**

### **Special Programs**

#### **28-23. Installation financial management improvement program (IFMIP)**

- a. The Department of the U.S. Army implemented

the Financial Management Improvement Program (FMIP) to advise MACOMs and installations of the relative effectiveness of certain accounting operations at installations. The FMIP operates on performance-based objectives and rates MACOMs based on performance point values accumulated by their subordinate disbursing stations (DSSNs) and fiscal station (FSNs). The success of the FMIP, as evidenced by improved expenditure reporting U.S. Army-wide, demonstrates that measured performance can yield positive results. The intent of an installation FMIP is to broaden the scope of the DFAS-IN program to encompass all areas of local accounting operations.

b. The IFMIP will provide the necessary information to help financial managers identify trends, weaknesses, and areas that require special attention in the management of installation resources. It will -

(1) Outline procedures by which the FAO/DAO can assess the service it provides the installation using standard rating elements.

(2) Portray the adequacy and progress of fund usage and program execution by monitoring key stages throughout the accounting cycle.

(3) Identify internal and external problems, backlogs, and systemic weaknesses that affect processing of accounting transactions.

(4) Provide specific management information at each level of responsibility for problem areas identified.

(5) Enable the accountant to better serve management of installation resources through more active involvement and interaction with other elements of the financial management community.

c. Joint cooperation among all elements involved is necessary in developing and sustaining an effective IFMIP.

(1) The DRM is functionally responsible for administering the IFMIP and will ensure the full participation of responsible personnel to --

(a) Provide information to support ratings.

(b) Monitor unfavorable trends and initiate appropriate follow-up.

(c) Establish and implement action plans to counteract adverse trends and conditions.

(2) The Finance and Accounting Officer/Defense Accounting Officer will --

(a) Provide accurate and timely feeder information.

(b) Interpret the report findings.

(c) Take corrective action to improve performance.

(d) Perform adequate follow-up to prevent recurrence.

(3) The chief, accounting division, will prepare the IFMIP report and ensure that --

(a) Necessary controls are in place to accurately track, identify, and report feeder information from all sources.

(b) Accounting personnel are adequately trained to

perform required document, data, and statistical analyses used to prepare the IFMIP report.

(c) IFMIP reports are sound, accurate, and timely.

d. This section provides instructions for devising and implementing an IFMIP. Accomplish steps 1 through 4 as a joint effort of the accounting division and rated or rating activities.

(1) *Step 1.* For each activity, select appropriate rating elements. Assign identical elements to activities for comparison.

(a) Quantitative elements are those which can be objectively measured. They are easily counted (that is, number of data entry errors, number of late documents, number of abnormal account balances, and so forth.) Quantitative elements are preferred because they are easily isolated and documented, conducive to problem identification and correction, and well-suited to sampling techniques. Base assignment of weights for quantitative elements on management priorities, with higher point values assessed for areas of greater emphasis. Management actions for findings based on quantitative ratings typically involve training, workload, work flow analysis, and systemic discipline.

(b) Qualitative elements are those which are subjectively measured by their perceived worth or quality. They are most useful when attempting to assess the degree of responsiveness from a service-oriented activity.

(2) *Step 2.* For each selected element, define what is acceptable and establish performance parameters. (NOTE: Charge only errors that can be positively identified to the rated activity. For example, do not charge an error appearing on a civilian pay document that emanated from the SF 50 (Notification of Personnel Action) prepared by the civilian personnel office to civilian pay.)

(3) *Step 3.* Prioritize the rating elements in order of importance from most important to least important and assign a corresponding weight or percentage to each element. Table 28-4 shows a sample IFMIP for standard activities.

(4) *Step 4.* Establish the length for rating periods and reporting frequency, either monthly or quarterly.

(5) *Step 5.* Design the report. It should be concise. See Figure 28-2 for a suggested format.

(6) *Step 6.* Document the findings. The integrity of IFMIP report data depends upon consistency of rating elements, methods by which the rating information is gathered and reported, the reasonableness of assigned weighted point values for each measured element, and the completeness of information and methods used to support the findings. The reporting package will routinely include rating criteria and a sufficient audit trail to support each unfavorable quantitative rating (that is, DOV numbers or transmittal numbers), if applicable. Data

in support of the ratings will be available as additional information, if necessary.

e. Use the following rating elements:

(1) The core elements listed in this section with suggested data sources and scoring methods are not all-inclusive, but merely furnished as foundation. When selecting rating elements, consider each of the following issues:

(a) Current mission objectives of the financial management community. Each element should provide some tangible benefit toward achieving the objectives.

(b) The extent to which automation can be effectively employed to gather and report the desired information.

(c) Manageability of the program. Select only the elements needed to accomplish the objectives and be sure you can defend the results. Consider sampling techniques for large volume elements.

(2) Program or program director elements consist of the following:

(a) *Obligations or orders in excess of program.*

1. *Description.* Obligations or orders are recorded in excess of programmed or targeted amounts.

2. *Data sources.* Fund control listings or fund control data file queries.

3. *Scoring.* Assess penalties for the abnormal conditions if reflected on the month-end reports. Assess additional penalties for the number of cycles on which the conditions have appeared uncorrected.

(b) *Disbursements without obligations.*

1. *Description.* Disbursements recorded in advance of receipt of the obligation document from the responsible activity.

2. *Data sources.* Exception listings, unliquidated obligation files, or file queries.

3. *Scoring.* Assess penalties for the number of occurrences during the rating period. Assess additional penalties based on delays in receiving the document(s) from the responsible activity (that is, one additional point for each extra day the requested documents are not transmitted).

(c) *Prior year obligation adjustments.*

1. *Description.* Increases or decreases to prior year unliquidated obligations received as a percentage of unliquidated obligations at 1 October or as a percentage of the original obligation amount.

2. *Data sources.* Reimbursement file queries, general ledger inquiries, and unfilled order files.

3. *Scoring.* Assess penalties per occurrence or based on the gross adjustment at the end of the rating period. Assess additional penalties if adjustments exceed a given parameter (that is, 25 percent of the original order amount).

(d) *Prior year order adjustments.*

1. *Description.* Increases or decreases to prior year orders received as a percentage of open orders at October 1 or as a percentage of the original order

amount.

2. *Data sources.* Reimbursement file queries, general ledger inquiries, and unfilled order files.

3. *Scoring.* Assess penalties per occurrence or based on the gross adjustment at the end of the rating period. Assess additional penalties if adjustments exceed a given parameter (that is, 25 percent of the original order amount).

(e) *Overage unliquidated MODs.*

1. *Description.* MODs that remain unadjusted or unliquidated beyond specified time limits.

2. *Data sources.* Liquidation indicator data, unliquidated obligation files, and data queries.

3. *Scoring.* Assess penalties for each occurrence. Assess additional penalties for each period an identified condition remains unadjusted or unliquidated.

(f) *Travel settlement turnaround period.*

1. *Description.* The average number of days from completion of travel to filing of the settlement voucher per rated activity.

2. *Data sources.* Employ data queries or perform a valid sampling based on settlement vouchers processed during the rating period.

3. *Scoring.* Assess graded penalties when the activity average falls below parameters established for the installation. Conversely, consider graded bonus points for activities whose average is above the parameters.

(g) *Document errors.*

1. *Description.* Documents transmitted to the accounting division not processed because of errors and must be returned to the submitting activity (that is, invalid documentation, missing accounting classification, and not properly certified).

2. *Data source.* Document transmittal log.

3. *Scoring.* Assess a penalty for each occurrence or range of occurrences during the rating period.

(3) Accounting division elements consist of the following:

(a) *Data entry errors.*

1. *Description.* Data input errors measured as a percentage of total transactions.

2. *Data sources.* Unliquidated obligations or undelivered orders files, exception output, edit error output, and data queries.

3. *Scoring.* Assess penalties by percentage ranges. Consider the use of bonus points when error rates are exceptionally low (that is, less than one percent).

(b) *Document control errors.*

1. *Description.* Measurement of transactions (or blocks) duplicated or omitted due to inefficient document control.

2. *Data sources.* Unliquidated obligations files, undelivered orders files, daily accounting output reports, and notification from serviced activities.

3. *Scoring.* Assess penalties by transactions or block. Graded penalties may be desirable for large volume.

(c) *Abnormal transaction balances.*

1. *Description.* Abnormal transaction conditions reflected in the end-of-period unliquidated obligations, undelivered and unfilled orders, accounts receivable and accounts payable files as a percentage of total transactions.

2. *Data sources.* Queries from each file.

3. *Scoring.* Assign graded penalties for ranges of abnormal transactions.

(d) *Abnormal report balances.*

1. *Description.* Abnormal reporting conditions reflected on month-end status reports during the rating period.

2. *Data sources.* Status reports at each month-end.

3. *Scoring.* Assess penalties for each abnormal condition. Assess additional penalties for conditions recurring from a previous accounting period.

(e) *Uncleared transactions.*

1. *Description.* Aged uncleared TFO or TBO, interfund, and suspended transactions.

2. *Data sources.* DFAS-IN expenditure system or queries from locally established uncleared files.

3. *Scoring.* Assign penalties or bonuses based on DFAS-IN FMIP ratings for each category during the rating period. For local systems, assess graded penalties or bonuses for ranges of uncleared transactions according to age.

(f) *Abnormal deposit account balances.*

1. *Description.* Unauthorized debit balances reflected in the end-of-period DO deposit accounts.

2. *Data sources.* DO deposit reports and file queries.

3. *Scoring.* Assess penalties for each abnormal balance. Assess additional penalties for abnormal balances recurring from a previous accounting period.

(g) *Uncleared RCS CSCFA-302/304 report errors.*

1. *Description.* RCS CSCFA-302/304 report error transactions that remain uncorrected from at least one previous reporting period.

2. *Data source.* Report of uncorrected alpha errors from DFAS-IN.

3. *Scoring.* Assess penalties based on the DFAS-IN FMIP rating for this category.

(h) *Status/Command Expenditure Report (CER) Differences.*

1. *Description.* Differences between disbursement amounts reported through the status reporting system and those reported through the expenditure system.

2. *Data source.* Report of status versus CER from the MACOM/DFAS-IN or DFAS-IN FMIP.

3. *Scoring.* Assess penalties for each occurrence or based on the DFAS-IN FMIP rating. Assess additional penalties for recurring status or CER differences not resulting from system malfunctions.

(4) FAO/DAO pay and examination activities consist of the following:

*(a) Document Errors.*

*1. Description.* Documents received in the accounting division containing errors in the accounting data or computation of entitlements (including interest penalties and administrative charges), or any other characteristic that requires changes to the documents before input.

*2. Data sources.* Actual documents with related attachments.

*3. Scoring.* Assess penalties by occurrence, or by number of occurrences as a percentage of total documents processed during the rating period. Assess additional penalties for recurring types of errors.

*(b) TFO copies.*

*1. Description.* Each instance when an activity fails to furnish a TFO copy when applicable.

*2. Data source.* Incoming document control unit.

*3. Scoring.* Assess graded penalties for each occurrence or range of occurrences depending on volume.

*(c) Duplicate payments.*

*1. Description.* Each instance identified when a payment duplicates an earlier payment.

*2. Data sources.* Unliquidated obligation and accounts payable files and documents.

*3. Scoring.* Assess a penalty for each occurrence.

*(d) Untimely payments.*

*1. Description.* Payments identified as early or late, resulting in a lost discount or late payment penalty or administrative charge.

*2. Data sources.* Documents and accounts payable files. Consider sampling for large volume.

*3. Scoring.* Assess a penalty for each occurrence.

*(e) Debt collection turnaround period.*

*1. Description.* The average number of days from receipt of a request for pay adjustment to actual adjustment for public debts.

*2. Data source.* Valid sampling of collection vouchers containing public debt payments.

*3. Scoring.* Assess graded penalties when the average falls below pre-established parameters. Conversely, consider graded bonus points when the average is above the parameters.

(5) Disbursing division activities consist of the following:

*(a) Collection voucher control.*

*1. Description.* Copies of all collection vouchers are not deposited into the depository for any given day.

*2. Data source.* Vouchers collected from the collection voucher depository versus original collection vouchers.

*3. Scoring.* Assess a penalty for each voucher missing from the depository, or for each day no one-for-one match is achieved.

*(b) Daily business integrity.*

*1. Description.* Content, validity, and timeliness of daily business, that includes: voucher totals equal the

daily net processed amount, DOV numbers not skipped or duplicated, all voucher copies in agreement, and vouchers received in accounting by the established cutoff.

*2. Data sources.* Daily business vouchers, incoming work control log, and difficulties encountered in balancing with the disbursing office.

*3. Scoring.* Depending on volume, assess penalties by error or type of error, or group the desired rating criteria into a single element and assess group penalties by processing day.

*(c) SOA errors.*

*1. Description.* Errors shown in the information furnished in Parts B and C of the SOA.

*2. Data source.* The draft SOA furnished accounting at the end of each processing month.

*3. Scoring.* Assess a penalty each time the information is not completely correct, or for each error furnished on the draft.

*(d) Unidentified suspense transactions.*

*1. Description.* Deposits-in-transit, recertified checks, and U.S. Treasury chargeback transactions that are not adequately identified on the voucher to establish or clear suspense balances.

*2. Data sources.* Disbursing officer's deposits report and vouchers.

*3. Scoring.* Assess a penalty each time an abnormal balance results, or for each occurrence.

**Table 28-1. Record layout for RT 7 transactions**

| <b>Record Position</b> | <b>Field</b>                       |
|------------------------|------------------------------------|
| 1-2                    | Department                         |
| 3                      | Blank                              |
| 4                      | Fiscal Year                        |
| 5-8                    | Basic Symbol                       |
| 9-12                   | Limitation/Sub-head                |
| 13                     | Program Year                       |
| 14-15                  | Operating Agency                   |
| 16                     | Reimbursement Designator           |
| 17                     | Blank                              |
| 18-20                  | Reimbursement Source Code (Future) |
| 21-26                  | AMSCO                              |
| 27-31                  | Date of Transaction                |
| 32-37                  | Fiscal Station Number              |
| 38-39                  | Blank                              |
| 40-52                  | Amount                             |
| 53-56                  | Allotment Serial Number            |
| 57-58                  | Not Used                           |
| 59-61                  | DO Date                            |
| 62-67                  | Voucher Number                     |
| 68-69                  | Blank                              |
| 70-73                  | DSSN                               |
| 74-76                  | Transaction Report Code            |
| 77-79                  | Blank                              |
| 80                     | Record Type (7)                    |

**Table 28-2. Year-end adjustments of reimbursable orders**

| <b>Performers Funds</b> |                                   | <b>Economy Act Orders</b>   | <b>Project Orders</b>  |
|-------------------------|-----------------------------------|---|--|
| 1.                      | No-year.                          | If customer funds are expiring, return unobligated funds to the customer. If order is still required by the customer and funds are available, the customer must re-issue the remainder of the order, citing new year's appropriation, to the performing activity. Otherwise, no action is required.   | No action required.  |
| 2.                      | Multi-year which is not expiring. | The performing activity will reduce orders received to the greater of obligations or earnings. If customer funds are not expiring, the performer will reestablish the order in the new fiscal year citing the new year's appropriation. Future billings will cite the fund citation on the original customer order. If customer funds are expiring, the performing activity will return unobligated funds to the ordering customer. If the order is still required and funds are available, then the ordering customer must re-issue the remainder of the order to the performing activity citing the new year's appropriation. | For those orders received and accepted near the end of the fiscal year, the following rules apply:<br>(a) If work has started or is expected to start by January 1 of the following calendar year, the performer will reduce orders to the greater of obligations or earnings and will re-establish the orders for the amounts written down in the new fiscal year citing the new year appropriation. The customer's order will remain fully obligated citing the original ordering appropriation. Future billings will cite the fund citation on the original customer order.<br>(b) If work is not anticipated to start within 90 days from fiscal year-end, an extension must be obtained from the ordering activity. If extension is not granted, the performing activity will return the unobligated funds to the ordering activity. For all other project orders received during the fiscal year, the performing activity will reduce orders received to the greater of obligations or earnings. Valid amounts written down will be re-established in the new fiscal year citing the new year appropriation. |
| 3.                      | Multi-year which is expiring      | Orders which have been earned but for which no obligation has been incurred (for example, sales for replacement of inventory owned by the Army Procurement appropriations) will be written off and subsequent collections will be moved to the miscellaneous receipt account. Otherwise, the performing activity will write down the order to the greater of obligations or earnings. Valid amounts written down will be reestablished in the new fiscal year   | Prior year project orders which have been earned but for which no obligation has been incurred will be written off and the related receivable and subsequent collections will be moved to the miscellaneous receipt account. Otherwise, the performing activity will write down the order to the greater of obligations or earnings. Valid amounts written down will be reestablished in the new fiscal year citing the new year appropriation.  |

**Table 28-2. Year-end adjustments of reimbursable orders** - Continued

| Performers Funds |        | Economy Act Orders  | Project Orders   |
|------------------|--------|---|--|
|                  |        | citing the new year's appropriation. If customer funds are expiring, the performing activity will return unobligated funds to the ordering customer. If the order is still required, the ordering activity must reissue the remainder of the order citing the new year appropriation to the performing activity.  |  |
| 4.               | Annual | The performing activity will reduce orders received to the greater of obligations or earnings. If the customer's funds are not expiring, the performer will reestablish the order in the new fiscal year citing the new year's appropriation. Future billings will cite the fund citation on the original customer order. If customer's funds are expiring, the performing activity will return unobligated funds to the ordering customer. If the order is still required by the ordering activity and funds are available, the customer must re-issue the remainder of the order to the performing activity, citing the new year's appropriation. | <p>(a) If work has started or is expected to start within 90 days, the performer will reduce orders to the greater of obligations or earnings and will reestablish the order in the new fiscal year citing the new year's appropriation. The ordering activity's order will remain fully obligated citing the original ordering appropriation. Future billings will cite the ordering activity's funds from the customer reimbursable order.</p> <p>(b) If work is not anticipated to start within 90 days from fiscal year end, an extension must be obtained from the ordering activity. If an extension is not granted, the performing activity will return unobligated funds to the ordering activity.</p> |

**Notes:**

1. Exceptions to the above policy are:
  - a. Reimbursable orders financed by the performer with procurement funds (except augmentation modernization (AM) classified sales to FMS customers) that are earned but not obligated remain in the appropriation in which the earning was made until that appropriation expires. Write off the unexpired order and earning upon expiration and transfer the related receivable/collection to the miscellaneous receipt account.
  - b. Immediately deposit collections from the sale of free assets (AM Sales) to FMS customers to the miscellaneous receipts account. The remaining balance designated for replacement in kind is available for obligation up to account expiration.
2. Under no circumstances shall any reimbursable unobligated authority remain in any appropriation account at expiration.
3. Handle multi-year appropriations like one-year appropriations. Write down all orders to the executed amount. Executed includes portions of orders that are either obligated or earned -- Consider committed unearned balances as unexecuted and move to the new fiscal year citing the new year's appropriation. For expiring years, move all earned and collected or earned and not collected for which obligations have not been incurred to the miscellaneous receipt account.

**Table 28-2. Year-end adjustments of reimbursable orders** - Continued**PERFORMER'S ACTIONS FOR DIFFERENT PERFORMER-CUSTOMER ACCOUNT RELATIONSHIPS****Performer-Customer Account Relationships:**

- a = Performer's account not closing; customer's account closing/closed.
- b = Performer's account closing; customer's account not closing.
- c = Performer's and customer's accounts closing at same time.
- d = Performer's account closing, but has unearned revenue.

|   | a | b | c | d |
|---|---|---|---|---|
| <b>At year-end, performers will:</b>  |   |   |   |   |
| Adjust reimbursable orders in accordance with AR 37-1.  | X | X | X | X |
| Reflect by fund source valid reimbursable funding, obligations, disbursements, unliquidated obligations, orders received, unfilled orders, earnings, collections, unearned revenue, and accounts receivable for all non-closed accounts (which includes accounts closing) in year-end certified reports.  | X | X | X | X |
| <b>During post-closing, performers will:</b>  |   |   |   |   |
| Cancel unpaid reimbursable obligations for accounts closing.  |   | X | X | X |
| Transfer outstanding accounts receivable in closing accounts to miscellaneous receipts (21R3200).   |   | X | X |   |
| <b>In ensuing fiscal year(s), performers will:</b>  |   |   |   |   |
| Request an unexpired account fund cite from customers when earnings and billings occur during the fiscal year. Credit collections received to the performing account.   | X |   |   |   |
| Establish accounts receivable in miscellaneous receipt account when goods or services are provided for valid unfilled orders in closed accounts for which no advance collections were received when the performer's account closed.   |   | X | X |   |
| Cite the customer's financing account on billings resulting from goods or services provided for valid unfilled orders in closed accounts for which no advance collections were received when the performer's account closed.  |   | X |   |   |
| Request an unexpired account fund cite from customers for billings resulting from goods or services provided for valid unfilled orders in closed accounts for which no advance collections were received when the performer's account closed.   |   |   | X |   |
| Deposit to miscellaneous receipts (21R3200): (a) any collections received during the fiscal year for accounts receivable transferred to miscellaneous receipts from a closed account; and (b) any collections received during the fiscal year for accounts receivable established in the miscellaneous receipt account based on goods or services provided for valid unfilled orders in closed accounts for which no advance collections were received when the performer's account closed. |   | X | X |   |
| Use unexpired direct funds available for the same general purpose subject to the 1 percent and unexpended limitations to pay for valid reimbursable obligated balances canceled after the performer's account closed.   |   | X | X | X |

**Table 28-2. Year-end adjustments of reimbursable orders - Continued**

**CUSTOMER'S ACTIONS FOR DIFFERENT PERFORMER - CUSTOMER ACCOUNT RELATIONSHIPS**

**Performer-Customer Account Relationships:**

- a = Performer's account not closing; customer's account closing/closed.
- b = Performer's account closing; customer's account not closing.
- c = Performer's and customer's accounts closing at same time.
- d = Performer's account closing, but has unearned revenue.

|  | a                    | b | c  | d |
|--|----------------------|---|--|---|
| <b>At year-end, customers will:</b>  |                      |   |  |   |
| Follow reimbursable order adjustment procedures in Chapter 12.   | X                    | X | X  |   |
| Reflect valid direct funding, obligations, disbursements, unobligated balances, and unliquidated obligations for all non-closed accounts (which includes accounts closing) in year-end certified reports.  | X                    | X | X  |   |
| <b>During post-closing, customers will:</b>  |                      |   |  |   |
| Cancel unpaid direct obligations for accounts closing.   | X                    |   | X  |   |
| <b>In ensuing fiscal year(s), customers will:</b>  |                      |   |  |   |
| Request and certify unexpired funds available for the same general purpose subject to the 1 percent and unexpended limitations upon receipt of performer's request for an unexpired account fund cite to use for pending bills. Provide performing activity unexpired account fund cite. | X                    |   | X  |   |
| Obligate funds received subject to the 1 percent unexpended limitations and pay upon billings received or clear upon receipt of "by others" transmittals   | X                    |   | X  |   |
| (NOTE: For a reimbursable order to be retained on the books at year-end, it must have been executed. Execution is defined as earned and/or obligated depending on order type. Note the differences for expired/expiring appropriations versus unexpired appropriations)                  |                      |   |  |   |
| <b>ORDER TYPE</b>  | <b>FISCAL YEARS</b>  |   | <b>YEAR-END PROCEDURES</b>   |   |
| RC/CP  | Both                 |   | The order and net obligation must be equal.  |   |
| RS   | Unexpired            |   | The order must be equal to the greater of the obligation or earnings.  |   |
| RS   | Expired and Expiring |   | The order must equal the net obligation.   |   |
| AM   | Both                 |   | For FMS customers, orders and earnings will be zero. Amounts collected from AM sales for FMS customers will be deposited to the proper miscellaneous receipt account.            |   |
| AM/RM  | Expired and Expiring |   | Non-FMS orders and earnings will be written down to the value of conversion. Collections greater than conversions must be deposited to the proper miscellaneous receipt account. |   |
| AM/RM  | Unexpired            |   | Non-FMS orders must equal earnings   |   |
| RM   | Unexpired            |   | FMS source code orders must equal earnings.  |   |

**Table 28-3. Month-end Checklist**

|   |
|---|
| <b>A. General</b>   |
| 1. Does the report package contain all the reports and supporting schedules for this installation/OA?   |
| 2. Does the RCS CSCFA-218 report have a schedule of unliquidated balances and unliquidated obligations?   |
| 3. Does each Status of Approved Resources and Status of Reimbursements Report and Prompt Pay Schedule contain the proper certifications located on the last page of the report?     |
| 4. Are all pen and ink changes initialed and dated?   |
| 5. Does the RCS CSCFA-218 report contain the following sections if reporting applicable TRCs?   |
| (a) Section IV MPA if TRC 33 reported?  |
| (b) PCIP obligations if TRC 26 is reported with a "P" in the first position of the FCA?<br>(Note: Report cumulative PCIP obligations for current FY and subsequent appropriations.) |
| (c) Section V if Prompt Payment Act reported?   |
| <b>B. RCS CSCFA-112/CSCAA-118 reports</b>   |
| 1. Is the FTP submission in agreement with the certified hard copy report?  |
| 2. For the unexpired 2020, 2040, and 7025 appropriations, is all data reported at the detail source code level?<br>(Note: TRC DA not required for prior-year unexpired 2040.)       |
| 3. Is the funded reimbursement program reported equal to the lesser of the FRA shown in the USAFINCOM fund control records or funded orders received?                               |
| 4. Are funded orders received for prior years less than or equal to the unused portion of FRA from CY-1, plus any additional FRA received during CY?                                |
| 5. Are collections shown on the status of reimbursements report in agreement with collections recorded in the command expenditure report (except transfers for collections)?        |
| 6. Are funded orders received, reimbursements earned and reimbursements collected equal for source code 932?  |
| 7. Are all funded collections in source code 932, 934, and 940 footnoted as receivables transferred for collection?   |
| 8. Are funded receivable balances zero for RSCs 932, 934, and 940 for funded activity?  |
| 9. If unfilled orders are present for source codes 934 and/or 940 in all prior years, is there a footnote giving the unfilled amount for each three position RSC?                   |
| 10. Are the unfilled order and reimbursement receivable values for G00 equal to zero?   |
| 11. If unfilled orders reflect negative balances, are they explained by a footnote?   |
| 12. If reimbursements receivable reflect negative balances, are they explained by a footnote (except for unearned revenue projects)?  |
| 13. If reimbursements receivable reflect positive balances for unearned revenue projects, are they explained by a footnote?   |
| 14. If end of period unfilled orders are less than end of period unearned revenue within the same source code, are they explained by a footnote?                                    |
| 15. Do the reported unfilled orders end of period shown on the certified report agree with unfilled orders shown on DFAS-IN records?  |
| 16. Do the reported accounts receivable end of period shown on the certified report agree with accounts receivable shown on DFAS-IN records?  |
| 17. For the current year of basic symbol 2020, was source code 100 utilized for intra-appropriation transactions in lieu of source code 220?  |
| 18. For the unexpired years of basic symbol 2040, was source code 100 utilized for intra-appropriation transactions in lieu of source code 240?                                     |
| 19. For the current year of basic symbol 7025, was source code 100 utilized for intra-appropriation transactions in lieu of source code 297?  |

**Table 28-3. Month-end Checklist** (Continued)

|  |
|--|
| 20. Are orders received shown for source code "COO" in agreement with PBAS on a CFI basis?<br>(Note: Applies to all prior-year accounts except ASF and CAWCF.)   |
| 21. For OAs reporting ammunition working capital fund activity, are statements of financial condition included?  |
| 22. Do total receivables due from the public on the RCS CSCFA-112/CSCAA-118 report (TRCs CX + DX) equal the receivables due from the public on the certified report (TRCs CH + DH)?<br>(a) Collections reflected as project 9966 can not be used to reduce public receivables.<br>(b) If P=094*, then it is not to be included as an offset to public receivables. |
| 23. Do CFYTD automatic and funded earnings from the public on the certified report (TRCs CE + DE) equal new receivables, write-offs, and reclassified amounts on the RCS CSCFA-112/CSCAA-118 report (TRCs CP + CW + CT + DP + DW + DT)?  |
| 24. Does the absolute value of CFYTD automatic and funded collections from the public (excluding unearned revenue) (TRCs CF + DF) equal the absolute value of repayments on receivables on the RCS CSCFA-112/CSCAA-118 report (TRC CR + DR)?   |
| 25. Does activity in source code "COO," for all appropriations FY 87 through CFY, equal zero?  |
| <b>C. RCS CSCFA-208 report</b>   |
| 1. Is the accumulation of FTP submissions in agreement with the hardcopy certified report?   |
| 2. Are approved program (CFI) and funds available (CFI) in agreement for total direct Army and total customer for all years?   |
| 3. Do total direct Army funds available (CFI) equal CFI direct allocations in PBAS?  |
| 4. Do total direct Army funds available (CFY) equal the prior-year certified unobligated balances plus CFYTD allocations in PBAS?  |
| 5. Do total customer funds available equal total RS/RP/CP orders shown in PBAS?  |
| 6. Do commitments outstanding equal zero for merged, expired and expiring appropriations?  |
| 7. Are all commitments outstanding greater than or equal to zero?  |
| 8. Are all negative unobligated fund balances and end-of-period unliquidated obligation balances (except *966 and advance accounts) footnoted at Budget Line Number level?   |
| 9. If applicable, have appropriate reports of violation been filed?  |
| 10. Do disbursements in the status of allocations report agree with disbursements in the command expenditure report (CER)?   |
| 11. Are the obligations reported less than or equal to funds available (CFI)?<br>(Note: Appropriation and Budget Line Number level.)   |
| 12. Do unliquidated obligations reflected on the certified status report agree with the computed unliquidated obligations shown in DFAS-IN's records?  |
| 13. Does the total of the undelivered orders, accounts payable, and advances on the accrual schedule equal the end-of-period unliquidated obligations on the certified report?   |
| 14. If undelivered orders and/or accounts payable on the accrual schedule are negative, are they footnoted?  |
| 15. If advances on the accrual schedule are positive, are they footnoted?  |
| 16. Do advances (16, 17, 18, & 19) on the accrual schedule agree with unliquidated obligations shown for advance projects on the certified?  |
| 17. Are appropriation level undelivered orders greater than or equal to unfilled orders?   |
| 18. At Budget Line Number level, are all CFI obligation amounts positive?  |
| 19. For obligation and disbursements, does the reported CFI value equal the prior-year CFI value plus CFY value? (Note: Verify at Budget Line Number, BPN, appropriation level.)   |
| 20. For unexpired APA appropriations, are all customer unobligated balances end-of-period executed (earned)?   |
| 21. For expired and expiring APA appropriations, are all customer unobligated balances zero?   |

**Table 28-3. Month-end Checklist** (Continued)

|                                |   |
|--------------------------------|---|
| <b>D. RCS CSCFA-218 report</b> |   |
| 1.                             | Is the FTP submission in agreement with the hard copy certified report?   |
| 2.                             | Does the report have the annual funding program and funds available reported at the level prescribed by DA PAM 37-100-FY and this regulation?   |
| 3.                             | Are funds available reported at the level of issuance of the FAD/OA pull?   |
| 4.                             | Are the annual funding program/funds available in agreement with DFAS-IN records for current year appropriations using the following formula?<br>Funds available equal current year direct funding, plus automatic reimbursement program/automatic orders received, plus the lesser of FRA or funded orders received.<br>(Note: Data will be verified at levels prescribed in the fiscal year-end letter/message to include Source of Funds.) |
| 5.                             | Are the reported funds available in agreement with DFAS-IN records using the following formulas:  |
| (a)                            | 21X4528. Prior-year unobligated balance plus the lesser of FRA or orders received?  |
| (b)                            | 21X4991. Obligation authority and commitment authority equals FAD?  |
| (c)                            | 21X4992. Prior-year unobligated balance, plus current-year cash allocations, plus automatic orders received?  |
| (d)                            | 21X5095. Prior-year unobligated balance plus current-year receipts as processed through RCS CSCFA-302 report?   |
| (e)                            | 97X8242. Prior-year unobligated balance plus current fiscal year to date amounts shown as allocated in PBAS at the country/case/line level?   |
| (f)                            | 21X5285. Prior-year unobligated balance plus current year receipts as processed through RCS CSCFA-302 report?   |
| 6.                             | Are funds available, funded, for prior years, equal to the lesser of funded order adjustments in CFY or the value of unused FRA at 30 Sep CFY-1 plus additional FRA received in CFY?  |
| 7.                             | Are the funds available for expired and prior-year unexpired appropriations in agreement with DFAS-IN records using the following formula? Prior year unobligated balances, plus current year direct funding, plus current year automatic orders received, plus current year funded orders received.<br>(Note: Verify data by source of funds, for all appropriations FY-87 and subsequent, and all unexpired appropriations prior to FY-87.) |
| 8. (a)                         | Are net obligations plus commitments outstanding less than or equal to funds available (except X1805 and X5095)?  |
| (b)                            | Are commitments outstanding reported for applicable appropriations?   |
| 9.                             | Are net obligations plus commitments outstanding less than or equal to funds available?<br>(Note: Except X1805 and X5095.)  |
| 10.                            | Are gross obligations for X1805 less than or equal to funds available plus recoveries reapportioned?  |
| 11.                            | Are net obligations for X5095 less than or equal to the lesser of funds available or annual funding program?  |
| 12.                            | Do obligations, disbursements, and accrual data agree with like data on the EOP Schedule of Unliquidated Obligations?   |
| 13.                            | Are gross obligations and gross recoveries, for each fiscal year account, separately identified on the report, the schedule of unliquidated obligations, or a separate schedule?  |
| 14.                            | Are disbursements shown on this report in agreement with disbursements recorded in the command expenditure report?  |
| 15.                            | If undelivered orders and accounts payable on the accrual schedule reflect negative balances, are they explained in a footnote?   |
| 16.                            | If advances on the accrual schedule reflect positive balances, are they explained in a footnote?  |
| 17.                            | For prior fiscal years, do the advances shown for TRCs 16, 17, 18, and 19 on the accrual schedule agree with the unliquidated obligations shown for the advance projects on the unliquidated obligation schedule?   |

**Table 28-3. Month-end Checklist** (Continued)

|   |   |
|---|---|
| 18.   | For current year funds, do the advances shown for TRCs 16, 17, 18, and 19 on the accrual schedule agree with the unliquidated obligations computed for EOR's 4110, 4120, and 4130, excluding advance projects, plus the unliquidated obligations shown for advance projects?  |
| 19.   | Do project level unliquidated obligations (country/case/line item for 97X8242) reported on the certified schedule agree with computed unliquidated obligations shown in DFAS-IN records?<br>(Note: Validation will be at SOF level for FY 87 and subsequent fiscal years and prior fiscal years that have AMSCOs which are uniquely identifiable to reimbursable activity.) |
| (a)   | Are negative unliquidated obligation balances explained by a footnote (except advance projects and project 9966)?   |
| (b)   | Are positive unliquidated obligation balances for advance projects explained by a footnote?   |
| 20.   | Is the unobligated balance zero for all source of funds designated as A or F?   |
| 21.   | For OAs reporting stock fund, AIF, and/or ammunition working capital fund activity, are statements of financial condition included?   |
| 22.   | If FRA remains unused, is the write-down footnoted?   |
| 23.   | For current year Family Housing, basic symbol 7025, does TRC 1J include Geographic Location Code in record position 3?  |
| 24.   | Are construction appropriations reported at the major/new project level?  |
| 25.   | Are obligations reported for the following programs less than or equal to FY ** administrative limitations?   |
| (a)   | Dependent student travel?   |
| (b)   | CHAMPUS?  |
| (c)   | Morale, Welfare, and Recreation activities?   |
| (d)   | ADP cap?  |
| (e)   | Counter Narcotics Program?  |
| (f)   | Special Operating Forces?   |
| 26.   | Do MDEP obligations/recoveries (TRCs 44 and 45) equal obligations/ recoveries (TRCs 1J and 1D) on the certified report at the appropriate SOF and AMSCO level?  |
| <b>E. RCS DD-COMP(M)1302 Statement 7, Monthly Management Report</b> |   |
| 1.  | Is this report prepared in thousands of dollars?  |
| 2.  | Do the unfilled orders on line C of Statement 7 equal unfilled orders on the RCS CSCAA-118? If not:   |
| (a)   | Is the difference footnoted?  |
| (b)   | Is an analysis provided?  |
| 3.  | Do net reimbursable issues, line E of the Statement 7, equal earnings less other income on the RCS CSCAA-118?   |
| 4.  | Do obligations less recoveries, line G on the Statement 7, equal obligations less recoveries as reported on the RCS CSCFA-218?  |
| 5.  | Do unobligated commitments, line K of the Statement 7, equal commitments outstanding on the RCS CSCFA-218?  |
| 6.  | Do materials on order, line T of the Statement 7, equal total undelivered orders on the RCS CSCAA-218?  |
| 7.  | Does cash (Treasury), line U of the Statement 7, equal total Treasury cash as computed to using the RCS CSCAA-28 reports?   |
| 8.  | Do accounts receivable-Government, line X, and accounts receivable-public, line Y, of the Statement 7, equal total receivables as reported on the RCS CSCAA-118 less undistributed collections?   |
| 9.  | Do accounts payable, line Z of the Statement 7, equal total payables as reported on the RCS CSCFA-218 less undistributed disbursements?   |
| <b>F. Sale of forest products</b>                                   |   |
| 1.  | If actual sales and/or expenses are applicable to more than one installation or facility, are the locations identified?   |

**Table 28-3. Month-end Checklist** (Continued)

|  |
|--|
| 2. Are the cumulative sales FYTD verified with proceeds deposited in 21F3875.3960 08-C S99999 as reported on RCS CSCFA-302?  |
| 3. Are the cumulative obligations FYTD verified to TRC 1J reported on RCS CSCFA-218 (AMS 728012.26-installations; AMSCO 728012.27-Division/District Engineer Offices?  |
| <b>G. Parts III through VIII-RCS CSCAA-118 report</b>  |
| 1. Has all data been reported against a valid detailed reimbursement source code (RSC)?<br>(Note: RSC 900 is not acceptable.)  |
| 2. If current receivables reflect negative balance, are they footnoted?<br>(Note: This check will be made at the basic symbol, operating agency, detailed reimbursement source code level.)  |
| 3. Has the 10 percent delinquent receivable reduction goal been met? If not, is a narrative explanation provided relative to the actions taken to meet the goal, the stumbling blocks encountered, the corrective actions in process or planned and the anticipated date that delinquent receivables will be at or below the goal?                         |
| 4. Do the beginning interest, penalties, and administrative fee values equal the ending balances reported at 30 Sep CFY-1?<br>(Note: Checks will be made at basic symbol, operating agency, and detailed reimbursement source code level.)   |
| 5. Are the beginning balances for interest, penalties, and administrative fees assessed, plus the amounts assessed for each category during CFY, equal to or greater than amounts collected for each category?<br>(Note: Checks will be made separately for interest, penalties, and administrative fees at the detailed reimbursement source code level.) |
| 6. Are funded accounts receivable balances zero for reimbursement source codes 932, 934, and 940? If not, is there a footnote explaining the reason?<br>(Note: Funded receivables in the cited reimbursement source codes are normally transferred to DFAS-IN for collection.)   |
| 7. If non-current receivables are reported, are they footnoted?  |
| 8. Does the computed funded accounts receivable, ending balance (TRCs C1+CP+CR+CW+CT) and/or automatic accounts receivable ending balance (TRCs D1+DP+DR+DW+DT) equal the total funded current receivables (TRC CX) and/or automatic current receivables (TRC DX) reported?  |
| 9. Does the computed other accounts receivable ending balance (TRCs F1+FP+FR+FW+FT) equal the total other current receivables (TRC FX) reported?   |
| 10. Does this report exclude undistributed transactions (for example, 9966?  |
| 11. Does this report exclude unearned revenue (AMSCO *9** for all reimbursement source codes)?   |
| 12. Does the beginning accounts receivable balance (TRCs C1+D1) equal the EOP receivables (TRCs CH+DH) on the FY ** certified RCS CSCAA-118 report, Parts I and II?  |
| <b>H. General Ledger</b>   |
| Field activities use the following formulas for validating their current fiscal year trial balances.   |
| 1. Funds Received-Direct ? TRC 1C with D as Source of Funds (SOF) ? equals:<br>(a) 4584+4585, or<br>(b) 1013.0, or<br>(c) 3100.0 (Credit value).   |
| 2. Funds received (reimbursable) ? TRC 1C with F or A as SOF--totaled//equals 4582+4583^4221.  |
| 3. Orders received automatic (TRC DD) equals 4221.0 (Credit value) at all levels.  |
| 4. Orders received funded (TRC CD) equals 4222.0 (Credit value) at all levels.   |
| 5. Automatic reimbursements earned (TRC DE) equals 4251.0+4253.0 at all levels.  |
| 6. Funded reimbursements earned (TRC CE) equals 4252.0+4254.0 at all levels.   |
| 7. Reimbursements receivable (TRCs CH+DH) equals 4251.0+4252.0+2311.0+2312.0 at all levels.  |

**Table 28-3. Month-end Checklist** (Continued)

|  |
|--|
| 8. Reimbursements collected (TRCs CF+DF) equals 4253.0+4254.0+2311+2312 at all levels.   |
| 9. Automatic unfilled orders (TRC DG) equals 4231.0 at all levels.   |
| 10. Funded unfilled orders (TRC CG) equals 4232.0 at all levels.   |
| 11. Obligations-direct (TRCs 1J+1D with SOF D) equals 4810.0+4910.0+4930.0 at all levels.  |
| 12. Obligations-reimbursable (TRCs 1J+1D with SOF F or A_totaled) equals 4820.0+4920.0+4940.0 at all levels.   |
| 13. Accounts payable (TRC 1V) equals 4910.0+4920.0+1315.0+1316.0+1411.0+1412.0+1413.0 +1414.0 at all levels.   |
| 14. Reimbursable undelivered orders (TRC 1S with SOF F or A--totaled) equals 4820.0 at all levels.   |
| 15. Direct undelivered orders (TRC 1S with SOF D) equals 4810.0 at all levels.   |
| 16. Direct disbursements (TRCs 1K+16+17+18+19 with SOF D) equals 4930.0 at all levels.   |
| 17. Reimbursable disbursements (TRCs 1K+16+17+18+19 with SOF F or A_totaled) equals 4940.0 at all levels.  |
| 18. Are advances-grants-non-Government (TRC 16) equal to GLAC 1413?  |
| 19. Are advances-contracts (TRC 17) equal to GLAC 1412?  |
| <b>I. MWR checklist (TRC 26)</b>   |
| 1. Are obligations reported for current year appropriations only?  |
| 2. Do all FCA codes contain a valid program code in the second and third position?<br>(Note: Command unique program codes and program codes with a zero in the third position won't pass DFAS-IN edits. See AR 37-100-FY for valid codes.) |
| 3. Have obligations for all FCA codes (including RP***, RS*** and RTP**) been reported?<br>(Note: Reporting of FCA codes on the CSCFA-218 report are required.)  |
| 4. Are all EOR and FCA code combinations valid?<br>(Note: EORs A411, 2781, and 2783 are prohibited from use by MWR activities.)  |
| 5. Are all obligations for package beverage store/class VI items reported under FCA code RUD00 (AAFES)?<br>(Note: Do not report this information under FCA code RLA00.)  |
| 6. Are all MWR FCA codes rolled to 3 positions with the 4th and 5th positions zero filled for RCS CSCFA-218 reporting?<br>(Note: This requirement only applies to accounts offices and not accounting entity levels.)                      |

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**Table 28-4 Sample IFMIP for standard Activities**

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**SAMPLE IFMIP****PART I****GROUNDWORK**

1. A proposed role accountability memorandum was prepared by the DRM for the commander, staffed among all elements, and finally agreed upon and signed into installation policy by the commander.
2. All elements of the financial management community met and agreed upon the following three major IFMIP objectives:
  - a. To encourage maximum, efficient utilization of resource allocations.
  - b. Timely, accurate, and adequate reporting of accounting data to meet both fiduciary and management information needs.
3. To achieve these objectives, the IFMIP would have the following characteristics:
  - a. Compare the performance of program directors.
  - b. Compare the performance of FAO/DAO pay and examination activities (Accounts Payable, Travel, and Military Pay and Civilian Pay).
  - c. Measure the performance of the accounting division and disbursing division independently.
  - d. Gather and report specific performance criteria for the DRM.
  - e. Report based on a point/percentage system where penalty points would be assessed (subtracted) from a 100 point/percentage base. Results should be described by an adjectival rating as explained below:

| Penalty Points Assessed | Adjective Rating  | Efficiency Percentage (Score) |
|-------------------------|-------------------|-------------------------------|
| 0-10                    | Outstanding       | 90-100                        |
| 11-25                   | Good              | 75-89                         |
| 26-39                   | Satisfactory      | 61-74                         |
| 40-65                   | Needs Improvement | 35-60                         |
| 66+                     | Unsatisfactory    | Less than 34                  |

**Table 28-4 Sample IFMIP for standard Activities - Continued**

**PART 2**  
**RATING ELEMENTS FOR PROGRAM DIRECTORS**

| <b>RATING ELEMENTS</b>   | <b>SCORING</b>  |
|--|---|
| 1. Obligations in excess of program. Each instance during the rating period when obligations exceed allotment of the last daily cycle.   | For each occurrence -5 points up to a maximum of -15 points. Assess 1 additional point for each cycle the condition existed on the daily fund status without correction.  |
| 2. Disbursements without obligations. Each instance when a disbursement is recorded in advance of receipt of the obligation document.  | 1-5 occurrences - 1 point<br>6-10 occurrences - 2 points<br>11-15 occurrences - 3 points<br>up to a maximum of - 12 points  |
| 3. Obligation adjustments. Each instance when an obligation is adjusted by more than 25 percent of the original obligation amount.   | 0-5 occurrences - 0 points<br>6-10 occurrences - 1 point<br>11-15 occurrences - 2 points<br>up to a maximum of - 12 points.<br>Assess 1 additional point for each occurrence when the disbursement exceeds the obligation amount by 50 percent or more. |
| 4. Prior year order increases which equal or exceed 25 percent of the original order amount.   | each occurrence - 1 point<br>up to a maximum of - 5 points  |
| 5. Expired appropriation obligation adjustments. When total prior year obligation adjustments at the end of the rating period exceed 10 percent of the 30 September unliquidated balance.                    | For each occurrence - 10 points   |
| 6. Unliquidated MODs. Each unadjusted MOD at the end of the accounting period(s) which applies to a prior period estimate.   | Each occurrence - 3 points<br>up to a maximum of - 15 points  |
| 7. Travel settlement turn around period. The average number of days from completion of travel to filing of settlement voucher per program director. Based on voucher sampling.                               | 1-5 days +3 points<br>6-10 days +2 points<br>11-15 days +1 point<br>16-20 days -1 point<br>21-30 days -2 points<br>31-60 days -3 points   |
| 8. Late documents. Number of obligation and reimbursement-related documents received after the accounting period during which they should have been recorded.  | For each occurrence - 1 point<br>up to a maximum of - 16 points   |
| 9. Document errors. Number of individual documents which must be returned to the activity for correction of errors (i.e., missing accounting classification, not properly certified, invalid documentation.) | For each occurrence - 1 point<br>up to a maximum of - 15 points   |

**PART 3**  
**RATING ELEMENTS FOR THE ACCOUNTING DIVISION**

| <b>RATING ELEMENTS</b>   | <b>SCORING</b>   |
|--|--|
| 1. Abnormal deposit account balances. Number of debit balances reported to the MACOM during the rating period. | Each occurrence - 1 point<br>up to a maximum of - 6 points |

**Table 28-4 Sample IFMIP for standard Activities - Continued**

| <b>RATING ELEMENTS</b>  | <b>SCORING</b>   |
|---|--|
| 2. Status/Command Expenditure Report (CER) differences. Each status/CER difference reported to the MACOM during the rating period not resulting from a systems malfunction. | Each occurrence - 1 point<br>up to a maximum of - 6 points   |
| 3. Abnormal report balances. Number of abnormal reporting conditions reflected on the month-end status reports during the rating period.                                    | Each occurrence - 1 point<br>up to a maximum of - 6 points   |
| 4. Uncleared expenditure transactions. Each DA-assigned rating lower than satisfactory. Applies to uncleared TBO, TFO, and interfund categories.                            | Each DA-assigned rating for each category during the rating period of "Needs Improvement" or "Unsatisfactory" - 3 points |
| 5. Uncleared 302/304 errors. Each 302/304 error that remains uncorrected from the prior reporting period, reflecting the same error code.                                   | 1 to 5 errors - 1 point<br>6 to 10 errors - 2 points<br>11 or more errors - 3 points                                     |
| 6. Document control efficiency. The number of input transactions duplicated or omitted during the rating period not due to systems-related problems                         | For each occurrence during the rating period -0.25 points  |
| 7. Data entry errors. Number of cycles when ever edit errors plus mismatched input errors exceed 3 percent of total input during the rating period.                         | 1 to 4 cycles - 1 point<br>5 to 8 cycles - 2 points<br>more than 8 cycles - 3 points                                     |

**PART 4**  
**RATING ELEMENTS FOR THE TRAVEL SECTION, COMMERCIAL ACCOUNTS, AND MILITARY PAY AND CIVILIAN PAY**

| <b>RATING ELEMENTS</b>  | <b>SCORING</b>   |
|---|--|
| 1. Document errors. Each instance when a voucher received from a section contains an error in any part of the accounting data or computation of entitlements requiring that it be changed before its input. Measured as a percentage of total input.  | For each 1 percent of input or fragment thereof - 5 points   |
| 2. TFO copies. Each instance when a section fails to furnish a TFO copy.  | Each occurrence - 1 point  |
| 3. Untimely commercial payments. Number of early payments and number of late payments resulting in a lost discount, late payment penalty, and/or administrative charge. Report separately the number of payments more than 5 days early, more than 10 days late, and each voucher on which the total penalties exceed \$99. | Information only. No scoring is assigned to this element since it applies only to commercial accounts; identical elements must be assigned (for scoring) to activities being compared. |

**PART 5**  
**RATING ELEMENTS FOR DISBURSING**

| <b>RATING ELEMENTS</b>   | <b>SCORING</b>                                   |
|--|--|
| 1. Voucher content, validity, and timeliness. The number of days during the rating period where the daily business does not meet all the following criteria:<br>a. Vouchers = net processed amount.<br>b. No duplicate or skipped DOV numbers. | For each day during the rating period - 4 points |

**Table 28-4 Sample IFMIP for standard Activities** - Continued

| RATING ELEMENTS  | SCORING  |
|--|--|
| c. No differences between original and DO copies.<br>d. Received in accounting by noon the following day.  |  |
| 2. Collection voucher control. Number of days during the rating period where the vouchers in the CV depository do not agree one-for-one with the original collection vouchers.   | For each day during the rating period -0.25 points |
| 3. Statement of Accountability errors. Number of instances during the rating period when the information shown in parts B or C contains at least one error.  | For each occurrence - 10 points                    |
| 4. Identification of suspense transactions. Each instance when deposits-in-transit, recertified checks, and treasury chargeback transactions are not identified on the voucher, enabling accounting to correctly establish or clear suspense balances. | For each occurrence - 5 points                     |

| RETIREMENT RECONCILIATION LOG |             |                   |        |         |                |         |          |         |                             |  |
|-------------------------------|-------------|-------------------|--------|---------|----------------|---------|----------|---------|-----------------------------|--|
| PAY PERIOD                    | DD FORM 592 | ADJUSTMENT AMOUNT |        | TOTAL   | SF 2812 REPORT |         | SF 1081  | 8135.8  | RCS CSCFA-302 REPORT AMOUNT | DIFFERENCES/ RECONCILIATIONS   |
|                               |             | DATE              | AMOUNT |         | RPT. NO.       | AMOUNT  | VOU. NO. | AMOUNT  |                             |  |
| 01                            | 1000.00     |                   |        | 1000.00 | .8401          | 1000.00 | 900018   | 1000.00 |                             |  |
|                               |             | JAN 23            | 50.00  | 50.00   |                |         |          |         |                             |  |
| 02                            | 1000.00     |                   |        | 1000.00 | .8402          | 1050.00 | 900019   | 1050.00 |                             | INCLUDES \$50 ADJUSTMENT   |
|                               |             |                   |        | 2050.00 |                | 2050.00 |          | 2050.00 | 2050.00                     | BALANCED   |
| 03                            | 1000.00     |                   |        | 1000.00 | .8403          | 1000.00 | 900020   | 1000.00 |                             |  |
| 04                            | 1000.00     |                   |        | 1000.00 | .8404          | 1000.00 | 900021   | 1000.00 |                             |  |
|                               |             | FEB 4             | 50.00  | 50.00   |                |         |          |         |                             |  |
|                               |             |                   |        | 2050.00 |                | 2000.00 |          | 2050.00 | 2050.00                     | \$50 ADJUSTMENT RECEIVED AFTER CUTOFF. WILL BE INCLUDED IN PR # 5 (SF2812) |
| 05                            | 1000.00     |                   |        | 1000.00 | .8405          | 1050.00 | 900022   | 1050.00 |                             |  |
| 06                            | 1000.00     |                   |        | 1000.00 | .8406          | 1000.00 | 900023   | 1000.00 |                             | \$50 ADJUSTMENT INCLUDED IN PR # 5 (SF 2812) -- BALANCED                   |
|                               |             |                   |        | 2000.00 |                | 2050.00 |          | 2050.00 | 2000.00                     |  |

- (1) Enter pay period for each accounting month from SF 2812.
- (2) Enter amounts from DD Form 592 and carry amount to column 5.
- (3) Enter date of adjustment documents.
- (4) Enter amount from adjustment documents received from the payroll branch and carry amount to column 5. Documents will cite the special DO suspense account 21X6875.\*\*\*\*, reference AR 37- 100-FY.
- (5) Enter amounts from columns 2 and 4.
- (6) Enter report number from the SF 2812.
- (7) Enter amounts from the SF 2812.
- (8) Enter voucher number from the SF 1081, prepared by the accounting branch, that transfers amounts from the special DO suspense account, 21X6875.\*\*\*\*, to the OPM Receipt account, 24X8135.\*\*\*\*, reference AR 37-100-FY. This amount is derived from the
- (9) Enter the amount from the SF 1081 crediting the OPM receipt account.
- (10) Enter amount reported in the RCS CSCFA-302 report that cites 24X8135.\*\*\*\*.
- (11) Compare the total amount reported on the RCS CSCFA-302 report with the amount shown as deposited at the end of each month to the OPM receipt account, SF 2812 column, to ensure they agree. If there is a difference, reconcile as required and enter explanation of the difference in this column. After all totals are in agreement/reconciled, draw two heavy lines across the entire form to show the monthly reconciliation is complete

**Figure 28-1. Sample of a Retirement Reconciliation Log.**

**SAMPLE INSTALLATION FINANCIAL MANAGEMENT  
IMPROVEMENT PROGRAM REPORT**

Date: April 30, 19XX

THRU: June 30, 19XX

TO: Activity rated

1. Your activity IFMIP score for the second quarter is 87 percent (Good). Penalties/Bonuses were applied as follows:

| Rating elements   | Penalty/Bonus points |
|---|----------------------|
| Stand-alone disbursements                      5 occurrences            | -1                   |
| Obligation adjustments - 25 percent    16 occurrence                    | -3                   |
| Obligation adjustment - 50 percent       1 occurrence                   | -1                   |
| Unadjusted MODs                               2 occurrences             | - 6                  |
| Average travel settlement turnaround period    11 days                  | +1                   |
| Late documents                                 3 occurrences            | - 3                  |
| <br>Total    28 occurrences | <br>-13              |

2. (Optional) Your activity score rates 5th among (            ) the rating period.

3. Questions regarding your rating may be directed to Mr. S. Keeper, Accounting Branch, FAD, Extension\_\_.

Director, Resource Management

**Figure 28-2. Sample IFMIP report**